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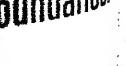
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Ofex tracks cate Recent assues ... Share information World commodities Well Street 20,21 Bourses

FT Weekend



Boy wonder 'I have posters of Agassi at home. I can't believe I shall be on the same court as him

Page XVIII-

#### FT Property



Location, location – and parking

Find a newly developed dream home in our 10-page supplement

Private sector debt problem intensifies with rupiah at 8,200 to the dollar

### IMF deal fails to ease crisis in Indonesia

FT Weekend

By Peter Montagnon and

Indonesia's \$80bn private sector debt crisis has intensified after Thursday's International Monetary Fund rescue package failed to restore confidence in the rupiah, senior bankers and diplo-

Gene genie

It was too late.

We were on a journey

into a rapidly evolving

future that no one

could stop

http://www.FT.com

mats said yesterday. "I'm still convinced there will be a debt moratorium, but it will be done in an orderly way with the appointment of national negotiating groups for foreign lenders," said Neil Saker, regional economist with SocGen-

Crosby. "It has to happen soon, we are leading European banker who

declined to be identified. They were speaking after the rupiah fell as low as Rp9,000 to the dollar yesterday, although it recovered to close slightly firmer on the day at 8,200. Bankers say Rp4,000 before the private sector debt becomes manageable. When the crisis struck last August,

Take Manhattan

We're doing antidepressant

aromatherapy lipstick

and aroma colour bath

(no bubbles, just pure

colour energy)'

Page XII

Dealers blamed the failure of almost 7 per cent, although some

wringing their hands at the rupiah's response to what they thought was a tough package close to total collapse," said a that hit almost every vested interest in Indonesia, said one diplomat familiar with the IMF negotiations. "Virtually everyone agrees that the debt needs a solu-

the dollar was worth about Rp2,600.

the rescue package to address the country's debt problem as well as political uncertainties for the rupiah's failure to rise. However, the stock market took heart from the package with shares rising dealers detected buying by government-owned brokers. The IMF and World Bank are

tion, and needs one quickly."

But neither institution has a well-thought out solution for



FINANCIAL TIMES

**JANUARY 17 / JANUARY 18 1998** 

Indonesian demonstrators demand democracy and cheap food as the debt crisis continues Rouser

he said. There is a general reluctance to use public funds to bail out private lenders, but there is a growing perception in the market that the liquidity squeeze facing Indonesia cannot be overcome while the private sector faces a massive debt service burden.

Manufactured exports are drying up because companies cannot obtain working capital or letters of credit to finance imported inputs, bankers said.

Market estimates of debt fallthe rate needs to return to about dealing with private sector debt, ing due this year range up to

almost \$60bn. Indonesia's IMF programme suggests a lower figure of \$20bn for short-term debt. but economists close to the government say this does not include commercial paper and other offshore borrowings which bring the total bill up to \$29bn.

Mr Saker said he believed Indonesia could propose a solution such as the Chile's government-sponsored rescheduling of private sector debt in the 1980s. Lending banks have a weak hand while Indonesia has no effective

bankruptcy laws, he said. Bankers said there was also scepticism about Thursday's announcement that the central bank was to become independent. because its governor is appointed by the president, is a member of the cabinet and subject to influence by the finance ministry.

> Malaysia urged to raise interest rates, Page 2 Editorial Comment, Page 6 Currencies, Page World stocks, Page 21

media relations, stripping Mr Chubais of this responsibility. Gazprom, which has amassed significant media holdings, said this week it would marshall support The prime minister confirmed

reports he had undergone recent medical tests but dismissed reports he had been taken ill on his return from a trip to central Asia this week.

### Stockholm ice palace artists lose their cool

Europe's new cultural capital feels the heat as flagship pavilion melts

By Tim Burt in Stockholm

Barbro Behm took off her gloves and ran her hands across the ice. Even now it is sweating. It will all melt – there is just too much dirt in it," she said.

The sculptor, one of eight artists working inside Stockholm's first art gallery built entirely from snow and ice, yesterday expressed doubts the 200 sq m igloo would survive long enough to become one of the flagship venues of Stockholm '98, marking the city's year as cultural

capital of Europe. Sweden's mildest winter since 1920 has left the ice pavilion, due to open today, looking like a beached white whale on the muddy Stockholm quayside.

A conspicuous lack of snow and temperatures stubbornly above zero bave forced the building's designers to look elsewhere for their raw material.

More than 100 tonnes of ice has been trucked down from the Arctic Circle to support the structure, and snow and ice have been scraped from the city's hockey rinks to pack it all together.

in managing the government's | inside against the elements to complete their own works of ice. "It has prompted a great deal of debate about global warming and I am afraid it might not last as long as we had hoped," said

Mais Widbom, programme co-ordesign at Stockholm '98. The unseasonably warm weather, moreover, has persnaded the organisers to find a

new theme for the launch project

of Stockholm's year as cultural capital. Instead of a Nordic celebration of ice and snow, the ice pavilion is being bailed as an example of technical ingenuity overcoming environmental obstacles.

About 5km of frozen pipes have been inserted into the wails, helping to keep the temperature inside the pavilion between -2°C and -5°C. Snow gathered 30 miles away

in Sandviken has been packed on the roof and the whole edifice wrapped up in polythene before today's official opening. "In the worst-case scenario, we

expected the temperature to be around zero. But it has been warmer than anyone can remember," said to Mr Widhom.

Some commentators in Stockbolm regard the frantic activity around the ice pavilion - due to sit in Kungstradgarden park for a month - as an ominous sign for the cultural year.

"The eyes of Europe are on us and we have to show that we can pull this off successfully," said one newspaper columnist.

The pressure has increased on Stockholm to revitalise the con-Yesterday, 30 architecture cept of a European cultural capistudents were brought in to tal following criticism of Thessaloniki, the Greek city that held

Thessaloniki's financial management of its year as city of culture has been the subject of inquiries by the European Commission and Greek government into how its grant aid was spent.

"Stockholm, with a budget of dinator for architecture and SKr460m (\$57.5m), has to produce a better-than-average performance," said one European diplomat in Stockholm. "The heat is on in more ways than one."

### Chernomyrdin stakes strong claim as Yeltsin heir

By John Thornhill in Moscow

Victor Chernomyrdin, Russia's prime minister, yesterday staked strong claim to succeed Boris Yeltsin as president by consolidating his grip over his cabinet the president, represented an through a significant reshuffle. Brushing aside rumours of illhealth, Mr Chernomyrdin, a former gas industry boss, regained

ministry, previously supervised by Boris Nemisov, first deputy

oversight of the fuel and energy

Mr Chernomyrdin clipped the

planned for May. Page 4

Man in the News

General in his labyrinth

General an ann Labyrinth

Chiefs possessing a report test General
Auguste Problem relatings decorrusty
When he finish respired after nearly a
quality of a control as anny commender.
But pass possessing Webernwel from the
influent name come survivered his departure
has been delayed, leaving that country
lacing a respective origin. Page 7

General

**US and Britain press Iraq** 

The US and Britain stepped up pressure on Iraq after France and Russia, which want to see the lifting of sanctions, sought to dilute

the American presence in the United Nations weapons-monitoring

spy, yesterday left Baghdad with his inspection team a day early

after being blocked from working for two days. Page 3

late an economy which is slowing. Page 2; Lex. Page 24

mission. Scott Ritier, the American whom Iraq has accused of being

China announces banking reforms: China unveiled sweeping

referms of its debt-burdened banking sector aimed at "commercialis-

ing" banks by 2000 and avoiding a south-east Asian-style financial cri-

sis. Beiling also indicated that it would ease credit selectively for

Pope and Castro agree to differ: On Wednesday the Pope,

vhose reputation as an anti-communist crusader still shadows him,

will visit communist Cuba, island fiefdom of President Fidel Castro.

Cuba and the Vatican have gone out of their way to damp specula-

Clinton makes legal history: Today, Bill Clinton will become

the first incumbent US president to testify as a defendant in a court

ually harassed her in 1991, when he was governor of Arkansas. The

Proceedings may mark the point of no return on a path to a full trial

case. He will be answering a claim by Paula Corbin Jones that he sex-

nism. This is a pastoral, not a political, visit, they say. Page 3

tion that the Pope may seek to persuade Mr Castro to dump commu-

bousing, infrastructure, agriculture and small businesses to stimu-

News.

sion of the finance ministry. The Izvestiya newspaper argued the changes, approved by unprecedented strengthening of the authority of the prime minister. It speculated that Mr Yeltsin had taken the decision either to stand for a third term or name Mr Chernomyrdin as his heir.

Boris Makarenko, a political analyst at the Centre for Political Technologies, a Moscow-based

portfolio of Anatoly Chubais, the institute, said the reshuffle Mr Nemtsov have been left to minister's growing influence, Mr had been persistent rumours that Mr Chubais might be dismissed after becoming embroiled in a book publishing scandal.

"This is a definite indication of disappointment by Chernomyrdin and the president at the attempts of the young reformers to unleash reforms too quickly, Mr Makarenko said. "Such reforms appear not to be

Nevertheless, Mr Chubais and

other young first deputy prime stripped the two young reformers manage important technical Chernomyrdin announced he shovel snow against the outside minister, and took over supervi- of much of their influence. There reforms. Mr Chubais said he would assume a more active role walls while sculptors struggled the accolade in 1997. would co-ordinate efforts to raise additional revenue for the budget, adding that, without "a radical improvement of affairs in this area, we will not be able to solve

anything". Mr Nemtsov, who, as energy minister, antagonised Gazprom, the gas company, will concentrate on the politically unpopular fields of housing, transport and electricity reform.

In a further sign of the prime

for the government.

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#### Business

### Seagate to cut workforce

Seagate Technology, the world's largest independent maker of disk drives, will cut 10,000 jobs, about 10 per cent of its workforce, in an attempt to stem mounting losses. Most of the job losses will be in Asia. The company's problems stem largely from competition for high-capacity disk drives. Analysts say it has been losing market

share to IBM, Fujitsu, Maxtor and Samsung. Page 24 Asian problems hit Deutsche Telekom: German telecoms company Deutsche Telekom is to make provisions of up to DM750m (\$412m) in its 1997 results to cover the impact of south-east Asia's financial upheavals. The group reported annual after-tax income of DM3.3bn, according to preliminary estimates, at least DM1bn lower than market forecasts. Page 24

**flor-turned tycoon looks overseas:** Within a decade, Tony Shen Ch'ing-ching, 50, self-made sailor-turned-tycoon, has built his Core Pacific group into one of Taiwan's top 10 conglomerates. With the purchase of Yamaichi Hong Kong, he is piloting the group overseas and plans initially to develop its securities business in Asia. especially China and Japan. Page 23

Wall Street follows Tokyo recovery in pre-holiday trading The US stock market warmed up for the Martin Luther King holiday on Monday by rallying strongly in response to the recovery in the Tokyo market. An hour before its close, the Dow Jones Industrial Average was about 90 points higher at 7,781. While the market recovered from its sharp initial fall on Monday, it was plagued all week by fears that the Asian economic crisis would have adverse effects on corporate profits. London stocks,

Page 17; World stocks, Page 21; Markets, FT Weekend Page XX ik on new tracks After spending hundreds of millions of dollars slugging it out with its rival Nike to sign sponsorship deals with basketball stars, US sportswear group Reebok is switching to custom-made shoes and older customers, and away from mass-producing \$200 sports shoes for kids. Page 6

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Contents Managed funds Money markets . 18,19 .20.21

THE REVANCIAL TIMES LIMITED 1998 No 33,500 LONDON - LEEDS - PARIS - FRANKFURT - STOCKHOLM - MADRID - NEW YORK - LOS ANGELES - TOKYO - ROMG KONG

**NEWS DIGEST** 

Strong rally in

The Tokyo stock market rallied yesterday to break

through the psychologically important 16,000 level, on growing indications that the Japanese government is

finally preparing to adopt further measures to stimulate

The Nikkei average surged 924.47 points to close at:

16,046.45 - the first time it has finished above 16,000 in a

month. Trading was active as investors took cheer from comments made by government officials hinting at much

The yen, which had recently fallen rapidly in value,

Ryutaro Hashimoto, Japan's prime minister, spured the rally with a remark that "It is only right to take nec

essary financial and taxation measures as we respond.

quickly to changes in the economy and financial situa-

The US has also turned up the heat on the Japanese

government, fuelling hopes that pressure from its larges

trading partner would prompt government action. Law-

rence Summers, deputy treasury secretary, urged Tokyo to ensure domestic demand led growth. "A successful car-

ry-through of the [Japanese] prime minister's commit-ment to domestic demand-led growth and financial stabil-

ity will be very important" for stability in the region; he

Cautions Japanese consumers spent less in department

year went on. Even the gift-giving season failed to boost Tokyo sales in December, which is usually the strongest month. Sales fell 6.2 per cent year-on-year, the ninth con-

secutive month of falls since an increase in the consump-

The rate of decline has also been increasing: November

ncreased towards the end of the year, while the late 1996

Consumer electronics was the worst hit sector, declin-

figures were boosted by consumers starting to bring for-

ing 24 per cent from a year earlier, with furniture sales

New car sales also sagged after the consumption tax -

increase, with a switch to to used cars. Sales of used cars

rehicles, although sales were weaker in the second half of

rose 0.4 per cent in 1997, setting a new record of 5.86m

Madrid interest rate caution

The Bank of Spain sounded a note of caution about infla-

tion prospects yesterday, maintaining its benchmark

interest rate at 4.75 per cent for the time being. Luis 🕾

Angel Rojo, its governor, foreshadowed the decision by

warning that it was "not necessary to throw more fuel on

followed consumer price figures showing a 2 per cent rise

forecast, bringing Spain well within the qualification limit

for European monetary union. It was Spain's lowest infla-

tion year since the current price most was launched in

from a low of 1.5 per cent last May and consumer demand

is expected to increase price pressures in the next few : \*

Helmut Kohl, the German chancellor, will visit Rome on

prime minister, that are expected to focus on the influx of

Although German government officials yesterday said

relations with Italy were good, tensions mounted between

Kanther, the German interior minister, was sharply criti-

cal of the Italian government for failing to clamp down on

allegedly illegal immigrants using Italy as a staging post

on the route to Germany.
On the euro, Mr Kohl is likely to reassure Mr Prodi that

he does not support recent Dutch reservations about Italy

being among the founder members of the proposed single

The Chilean defence minister, Edmundo Pérez Yoma, has

Tuesday for informal talks with Romano Prodi, Italy's

Kurdish refugees into Italy and Bonn's fears that they

Bonn and Rome earlier this month after Manfred

Kohl and Prodi to meet

1962. However, the 12-month rate has already climbed.

in the 12 months to December, below the government's

Yesterday's Bank of Spain securities repurchase auction

ward purchases to avoid the tax increase

down 23 per cent and clothing 6.9 per cent.

sales were down 5.6 per cent, October 4.7 per cent and

September 4.2 per cent. Pessimism over the economy

stores last year, but bought more second-hand cars. . Tokyo department store sales for the whole of 1997 fell 3 per cent from 1996, and the retail climate worsened as the

said in Seoul yesterday. Michigo Nakamoto, ... World Stock Markets, Page 21: Currencies. Page 3

Shoppers trim spending

■ TOKYO STORES

tion tax rate last April.

BANK OF SPAIN

KURDISH REFUGEES

will try to settle in Germany.

European currency.

**■ PINOCHET FACTOR** 

Michigo Nakamoto, Tokyo

Bethan Button, Tokuo

also reacted by surging to Y128 to the US currency.

awaited further action on the economy.

Japanese shares

By Tony Walker in Beijing

China yesterday unveiled sweeping reforms of its debt-burdened banksouth-east Asian-style financial cri-

Beijing also indicated it would ease credit selectively for housing. infrastructure, agriculture and small businesses to stimulate an economy which is slowing.

governor, said the authorities were committed to bringing Chinese banks into line with international practice by imposing Bank for International Settlements standards on management of loans.

Mr Dai said China would accelerate write-offs of bad debts to banks to clean up balance sheets as part of efforts to build a "modern finan-

Lax controls on lending to stateowned enterprises have left the "big four" state-owned commercial banks with a mountain of bad debt which is one of the main barriers to reform of the financial sector.

month on financial sector reform had provided a springboard for a more concerted effort to modernise ing sector aimed at "commercialis- an antiquated financial system ing" banks by 2000 and avoiding a which is proving a drag on economic development.

He said priorities included the establishment of commercial banks in 300 cities to provide financing for local business which was starved of funds. Unwieldy stateowned banks would be required to Mr Dai Xianglong, central bank close money-losing smaller branches.

The central bank itself would be subjected to reform with the elimination of provincial-level branches and the establishment of regional offices similar to the US Federal

Mr Dai also: Ruled out a devaluation of the yuan. China's economy was strong with a healthy balance of payments and exports would remain competitive.

■ Defended the Hong Kong dollar "peg". The Hong Kong dollar was "healthy" and foreign reserves were sufficient to defend it. Mr Dai made it clear that a E Said China had no plans for

national conference held last another interest rate cut. Rates have been cut three times since

■ Made it clear south-east Asia's financial crisis would slow prog-ress towards full convertibility of

Mr Dai pledged an "appropriately tight" monetary policy for 1998, but he also indicated that credit cellings would be lifted to encourage greater lending to key areas such as agriculture.

He also revealed plans to develop mortgage lending to "foster a housing market".

"Mortgage business will be expanded to cater to the needs of more customers and credit ceilings imposed on lower-cost housing will be removed," he said.

However, greater efforts would be made to restrict loans to "luxury real estate projects" to prevent "bubble elements" in the economy. A programme for a mortgage finance system for medium and lower-cost housing is a long over due reform and one which is designed to stimulate economic



Dai Xianglong makes a joke at his press conference yesterday

slowdown into bankruptcy.

merging financing compa-

nies, as well as some com-

mercial banks, by the end of

he was pleased the authori-

ties were trying to consoli-

date Malaysia's financial sec-

Mr Camdessus said while

the first quarter.

But Mr Camdessus said he

Camdessus acknowledges measures taken by authorities to keep turmoil at bay

### Malaysia urged to raise interest rates increases

in Kuala Lumpur

Camdessus, managing director of the International Monetary Fund, said that while Malaysia was correct in saying it did not need an IMF rescue package to get it through the regional financial crisis, the authorities should raise interest rates to slow credit growth, moderate inflationary pressures and provide support to the weakening currency.

"Malaysia is not facing a crisis in the same way as some of the other countries in the region," he said, noting that the authorities have taken important measures to

By Matej Vipotnik in Tallinn

The Baltic leaders who met

US President Bill Clinton

yesterday and signed a secu-

rity agreement that is

intended to consolidate their

countries' independence,

A decade ago, their move-

ment for freedom from the

Soviet Union was only begin-

ning to gather steam. Eston-

ia's Lennart Meri, a film-

maker with a giant intellec-

tual's brow, was head of the

wing of the Lithuanian Com-

The pro-independence

local writers' union.

have come a long way.

and Bruce Clark

in Washington

Asia's financial crisis will become much more severe if other countries respond to a sharp rise in exports from the region by closing their markets, Renato Ruggiero, director-general of the World Trade Organisation, said yesterday, Guy de Jonquières writes from London.

The crisis created a "pressing need" to resist protectionist pressures, he said in London, "What must be avoided at all costs is a vicious circle of economic reactions and counter-actions leading to wider and deeper

particularly on the fiscal there needed to be further side. He cited the austerity strengthening of policies, package announced in especially monetary, "Credit December that included cut- growth has been excessively ting government expenditure rapid for the past two

Nevertheless, given the annualised rate of 30 per continued volatility of the cent and now at 27.5 per markets. Mr Camdessus said cent.

whose oxen physique is

Guntis Ulmanis, the Lat-

with laundry services and

But yesterday, in a geo-

political milestone, Mr Clin-

ton formally endorsed the

three Baltic leaders' desire

The charter he signed

cial from Chicago.

television repairs.

Higher east Asian exports, because of currency devaluations and the need to finance external debts, would increase pressure on sensitive sectors in advanced economies and pose a competitive challenge to other developing countries, he said.

Stronger worldwide trade rules made a widespread return to 1930s-style protectionism unlikely. But Mr Ruggiero was concerned about the risk of "creeping protectionism", if countries resorted to increased use of measures such as anti-dumping actions to restrict imports.

of the highest ratios in the years," first growing at an Malaysia has resisted raising rates for fear of pushing companies already feeling

of gross domestic product,

he said. Malaysia had "one

the pressures of the regional

sion to punish the worst."

tor, he wanted to see results of its efforts. "I am not a mergers addict," Mr Camdessus said. "Mergers can be the best, or the worst, of things. They can weaken the best and lose a good occa-

### Baltic leaders sign US security accord

ernments have been less strident in references to military aspects of Nato membership. There is more public talk in government circles in Tallinn, Riga and Vilnius about economics, currency boards and EU accession than beefing up

Russia's economic rela-

correction.

are expected to fall today on fears that the rise in interest The report found that Faeroes economy in the rates will choke off the frag-

ile economic recovery.

# cost of

monetary policy. In recent

India yesterday raised interest rates by two percentage points in a bid to halt the slide in the rupes which fell to an all-time low against the US dollar earlier in the week. The announce ment came after the close of trading. But rumours of an interest rate rise helped to make the rupee stronger than Rs40 to the dollar, clos-

The Reserve Bank of India (RBI) said it was raising interest rates "on a review the current status

of foreign exchange markets...and recent international developments". The RBI increased the bank rate from 9 per cent to

11 per cent, and the fixed-

The bank meanwhile

The rupee has now lost

The Reserve Bank has spent about \$2.5bn to slow the fall, and raised interest rates in December in an earlier attempt to halt it. After the rupee fell below Rs40 to the dollar on Wednesday for the first time traders said it could fall to Rs48 or Rs45 in

### perceived that the authoriborrowing ties were ready to tighten cial sector that involves

weeks, they have announced a restructuring of the finan-

ing at Rs39.90.

munist party was being led alliance. But in a sop to Lithuania a little further ments' treatment of their rate repo rate from 7 per cent to 9 per cent. It also increased the cash reserve ratio by 50 basis points to 10.5 per cent in an attempt to drain liquidity from the banking sector.

> announced steps to encourage exporters to repatriate dollar earnings and discourage imports - including a cut in the export refinance limit and a doubling of the interest rate surcharge on import finance.

"They are trying to make sure that India does not go the same way as the southeast Asian countries." said Gul Teckchandani, chief investment officer at Spn F&C asset management.

about 10 per cent of its value against the dollar since August. In the absence of forward speculation which is illegal in India the decline bas taken the form of a slow-motion free-fall rather than a sharp

a matter of weeks. This now seems unlikely. But India's stock markets

Mr Marin said in an inter

view with the FT vesterday

that "if the political and eco-

nomic context does not

another five years of spend

of every dollar on a pro-

gramme, would we not have

shareholder in this operation

if they [the US and the par-

ties] let us participate and

Mr Marin emphasised that

"If we were a private com-

ing at this level?"

#### resigned abruptly from the cabinet amid signs of growing tension between the government and the military, and of dissension within the government. The strain has arisen in recent days after members of

the government parties threatened to bring charges against General Augusto Pinochet, the outgoing army commander and former dictator, for unconstitutional The general is due to step down in March, and the army has apparently been lobbying for support in the other

Chilean minister resigns

armed forces and among the opposition political parties to force the government to influence the dropping of the Man in the News, Page 7

■ ELECTION AID

#### EU alone on Cambodia

The European Union yesterday broke ranks with the US. Japan and the Association of South East Asian Nations (Asean) by granting electoral aid to Cambodia without emanding that the ousted first prime minister, Norodon Ranariddh, be allowed to return and take part in polls scheduled for July.

The EU pledged \$10.5m to help Cambodia with the cost of registering voters, establishing an electoral observation unit and training local media. It said the aid was could: tional on the Cambodian government ensuring that electoral standards were sound and that all parties got equal access to the media.

Ted Bardacke, Bangkok

**■ TIGHTER REGULATIONS** 

#### Russia to cut airline numbers

The Russian air authorities yesterday announced plans to tighten up regulation of the country's skies and cut the number of airlines from 315 to about 50 in an effort to improve safety and services.

"We plan to have eight airlines with federal status and another 40-45 regional carriers by the year 2000," said lyan Valov, first deputy head of the Russian Aviation Service, which regulates the industry. Following the break-up of the Soviet Union, a large fleet of independent private an lines was spun out of the Aeroflot monopoly, becoming known as "babyflots". But many have been poorly run and are in a weak financial position, with 65 of them John Thornhill, Moscott

### Danes criticised over Faeroes bank

injection, which the Faeroes confidence when the report

By Hilary Barnes in Copenhagen

The Danish government and official report published yesterday on the rescue of a that the prime minister, Faeroe Islands bank in 1993.

The Faeroes scandal arose when Den Danske Bank, erly to inform the Faeroes with the support of the gov- Islands government and also with the support of the government, disposed of a misinformed the Folketing Faeroes subsidiary, Faeroya (parliament). Bank, to the Faeroe Islands government in April 1993. Shortly after, it became apparent that the bank crats and the Radical Liberal

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SWEDEN:

negotiations between the contending parties in the region, and should be the © The Financial Times Limited 1998 Editor: Richard Lambert, clo The Financial Times Limited, Number One Southwark Bridge, London SEI 9HL. 'key co-ordinator" of all international economic aid designed to underpin the

former environmental offi- as well as benefit from it.

by Algirdas Brazauskas, existing allies who fear the

ers in his Soviet republic

to become members of Nato. early next century.

mination of a year in which the Baltic states have moved

in Madrid dashed Baltic with those of Romania and Slovenia, but promised a

eral party, said yesterday

that the report made it clear

Poul Nyrup Rasmussen, and

his government falled prop-

It was not clear last night

whether the minority gov-

ernment of the Social Demo-

By David Gardner, Middle

As President Bill Clinton

prepares to meet Israeli and Palestinian leaders next

week in a bid to resuscitate

the moribund Middle East

peace process, the European

Union yesterday began

elbowing its way toward

direct role in Arab-Israeli

negotiations commensurate

with its leading position as

the financier of any eventual

The European Commis-

sion, in a unanimously

endorsed policy document,

says the EU should "partici-

regional settlement.

western bloc will be watered about to lumber off the polit- down, it insists the Baltic ical stage as he hands over states should join only when his country's presidency to a they can contribute to Nato The charter marks the cul-

vian president, used to be head of a government to the doorstep, though not agency that provided workthrough the door, of key western institutions. Last July's Nato summit hopes of early entry, along

region in geopolitical limbo. had urged the EU to put all three republics on a fast track to membership. Yesterday's security understanding is unofficially

viewed in Washington as an interim arrangement, pending bolder moves by the EU to incorporate all three into But the efforts of both the

US and the Europeans to reach out to the Balts have been made noticeably easier "second wave" of expansion by a remarkable thaw, especially since last autumn, in The European Union has the three republics' relations commits Washington to help invited Estonia to join in the with Russia. The Russians prepare the Baltic trio for first wave of ex-communist have toned down their critiparticipation in the Atlantic entrants, and left Latvia and cism of the Baltic govern- vision of the future.

behind. US officials, keen to ethnic kin, and repeatedly avoid leaving the Baltic offered the Balts "joint security guarantees". For their part, Baltic gov-

defences to ward off the Russian "bear".

tionship with the Baltic region has been steadily reviving. But the Baltic leaders who gathered in Washington vesterday still differ sharply from Russia in their

Facroes government repre-

sentatives in March and April-May 1993 that Faeroya

Bank was not in need of new

capital his statements "did

not cover the facts of the sit-

uation". Mr Straarup denies

government met by borrow-ing from the Danish state. on January 27. but the Uffe Ellemann-Jensen, immediate reaction of Dan-Denmark's leading bank are leader of the opposition Lib- ish commentators to the 2,500 page report was that vive opposition attacks. The report is deeply

unflattering for the chief executive designate of Den Danske Bank, Peter Straarup. He is due to take over when his appointment is confirmed by the annual meeting of shareholders in

party would face a vote of no when Mr Straarup told early 1990s.

In short, according to Man-

uel Marin, vice-president of

the Commission responsible

the allegations. Mr Nyrup Rasmussen said last night that the report gave the Faeroes government grounds to sue Den Danske Bank. The collapse of Faeroya Bank and other banks on the islands, with their 40,000 population, fol-

lowed the collapse of the

EU wants bigger Mideast role

for the Middle East, the EU must have "a seat on the The move, taken after consultation with member states and the current British presidency of the EU, reflects growing European frustration with the failure of the peace process, which is undermining its efforts to

build stable links with its Mediterranean neighbours. There is growing European as well as Arab frustration with Washington's seeming inability to use its influence with Israel to deliver a settlement, the West Bank and Gaza. although extensive lobbying, excised any suggestion of criticism of the US from the Commission document.

sion is saving that its funding of the Palestinians has Palestinian economy has collapsed but the money has helped keep the peace process politically afloat. The Commission says the

EU and its member states pany, spending 54 cents out and institutions have pledged Ecul.7bn (\$1.85bn) out of total international aid commitments to the Pales- only continue to be the main tinians of \$2.8bn since the Oslo peace accords with Israel in 1993. But over the same period, per capita gross domestic product among Palestinians has fallen by more than 35 per cent, primarily the "fundamental, necessary because of Israeli closures of

year to 47 per cent, Commission officials say, mainly as In essence, the Commis- ade of occupied territories.

the EU was not questioning and unique role" of the US in the peace process because A 99 per cent aid disburse- of its closeness to Israel. He by the UK in particular, has ment record in 1996 fell last argued, however, that it would be "good for the US" if Europe started to play a a result of the Israeli block- direct if still complementary role in peace negotiations.

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# toughen up Iraq stance

The US and Britain yesterday stepped up pres-sure on Iraq after France and Russia sought to dilute the American presence in the UN weapons-monitoring

Scott Ritter, the American whom Iraq has accused of being a spy, yesterday left Baghdad with his inspection team. William Cohen, US defence secretary in Bangkok, said Iraq's President Saddam Russeln did not score a victory with the departure of Mr Ritter's team. His 16-member team left a day earlier than scheduled after being blocked for two days from working when the required official escort failed to turn up.

In spite of Russia's offer on Thursday to provide aircraft to monitor Iraq, Mr Cohen said US spy aircraft would continue their surveillance. Iraq has threatened to shoot down the American U-2s. After Iraq complained that Americans and Britons were dominating the inspections team, Russia on Thursday submitted a list of 60 names for Richard Butler. chief UN inspector, to consider. UN officials said a senior French expert would join the disarmament commission (Unscom) at UN

headquarters in New York. France and Russia want to see the early lifting of sanctions against Iraq, imposed after the Iraqi invasion of Kuwait in August 1990. Sanctions will remain in force until UN inspectors certify that Iraq has dismantled its arsenal of weapons of mass

Britain yesterday said it was sending the aircraft carrier HMS Invincible, accompanied by the Royal Fleet Auxiliary Fort Victoria, to

George Robertson, British defence secretary, said the UK was working with other Security Council members to secure Iraqi co-operation with the UN inspection teams. But he made clear that Britain was ready to use force if diplomacy failed to win access for the inspec-

Richard Butler, the chief weapons inspector, is due to meet UN inspectors today in Baghdad and on Monday talk to Iraqi officials in an effort to break the deadlock with Iraq over access for the weapons inspectors.

In addition to blocking Mr Ritter's team, Iraq has placed suspected weapons sites off-limits, claiming they are presidential palaces and other "sovereign" sites. Western diplomats say

Baghdad is expanding the category of off-limits sites in an effort to make impossible the monitoring and dismantling of Iraq's weapons. This is the latest in a

string of crises since last summer which diplomats have attributed to the fact that Unscom is closing in on Iraq's hidden arsenal of chemical and biological weapons and possibly homemade Scuds.

A senior UN inspector said Iraq, hoping to exploit divisions within the Council, has "decided it can retain what remains of their weapons of mass destruction and get rid destruction and their pro- of sanctions."



A downcast Necmettin Erbakan on his way to court

### **Court orders** closure of Welfare party

Islamist leader Necmettin Erbakan banned from office for five years

Court of Human Rights,

although the constitutional court's president stated that

international treaties safe-

guarding basic human rights

such as free speech are not

Hasan Cemal, political col-

umnist at Sabah, Turkey's

leading newspaper, said the

court's decision to announce

its decision on a Friday,

Islam's holiest day, during

the holy month of Ramadan

was a blunt warning that the

secularist state, increasingly

dominated by the army,

would tolerate no challenges from the Islamists.

However, the ruling may

The Istanbul stock mar-

reflecting investors' belief

that the end of the trial has

further alienate support for

undemocratic.

in 1971 and 1980.

binding in this case.

Turkey's constitutional court vesterday ordered the closure of the Islamist Welfare opposition party for conspiring against the secularist order and banned Necmettin Erbakan, its leader and a former prime minister, from political office for five years. The court's 11 judges ruled 9.2 to uphold charges

brought by a state prosecutor last May that Welfare, Turkey's largest party, was "undermining Turkey's secular regime and bringing the country to the brink of

Mr Erbakan yesterday urged his supporters to remain calm.

He said: "Even if the court's decision was wrong, people should obey it. I am asking for peace."

The prosecutor filed charges as part of a campaign led by the secularist military last year to force the Islamists from office. Mr Erbakan resigned in June after 11 months in office at the head of a coalition government with the conservative True Path party of join the Virtue party, set up Tansu Çiller. join December by Islamists as

The court also banned five a successor to Welfare. other Welfare officials from participating in politics. All the party's property

2.7 per cent yesterday, must be transferred to the

Mr Erbakan said he would reduced political uncerappeal against the court's tainty.

the Gulf region.

tions teams

Headlines are already being feverishly prepared: "A clash of titans!", "Battle of hearts and minds!", "An end-of-millennium meeting of the world's two great ideologies: Marxism and Cathol-

Meanwhile, back in the real world both the Cuban government and the Vatican have gone out of their way to damp down speculation that the crusading Pope, on his first visit to the island, may seek to persuade Mr



will receive "the Messenger

of Hope and Truth", the

term heing used by the Pope to describe his five-day pas-

toral mission to the Carib-

bean island as spiritual bead

of the world's Roman Catho-

This is the stuff of myths

and legends and, sure enough, 3,000 of the world's

finest myth-makers from the

international press will be at

hand to record the momen-

By Daniel Dombey in Brussels and Frances

The European Commission vesterday hailed a ruling on formone-treated beef as victory for the consumer" even though the decision leaves it unclear whether the European Union will be able to continue indefinitely its ban on imports of the ment from the US and Can-

The rating, issued yester-day by the World Trade Organisation's appellate body, found the EU ban was in breach of international trade rules. But it ruled in favour of the EU on several points and EU officials say ban if they provide an adequate assessment of the risks that the beef may pose

to human health. The ruling is the latest attempt to settle a dispute that has run for more than nine years and which the US says has cost it \$200m-\$250m a year in lost export

Rita Hayes, US ambassador to the WTO in Geneva, called for the ban to be lifted within the 15 month adjustment period the WTO normally allows. She noted that two comprehensive studies, including one by the EU itself, had found no risk attached to beef from hormone-treated animals. "There is no wiggle room

here." she said. The WTO ruling overturned an earlier panel on two counts. It said the EU was not necessarily inconsistent in allowing hormones into other parts of the food chain while banning the hormone-treated beef. It added that the EU would be allowed to impose tougher food standards than the corresponding international codes if its standards were scientifically based, a raling that the Commission

Turkey in the European was quick to praise. Union, where leaders have A WTO source had previcriticised the Welfare trial as onsly doubted whether the EU would be able to provide This is the first time an convincing evidence of the Islamist party has been beef's alleged effect on closed under a democratic health, since the earlier government. Military-led studies provided by the EU governments closed two parties founded by Mr Erbakan mones used rather than the

beef itself. The party's 147 remaining But the ruling indicated MPs are expected to sit as that the conditions for a independents and may later risk assessment could be met if toxins were found. even if they were only present in small quantities. "One molecule is enough," ket's main price index rose

said an BU official. The EU would also be justified in banning beef if the tered in accordance with enod animal husbandry.

# US and UK |Cubans make light of the First Coming

The Pope's visit to the communist-ruled island is the stuff of legend, writes Pascal Fletcher

hy is the Pope going to Cuba? "To see hell for himself, meet the devil in person and witness the miracle of how Cubans have survived!" This joke, doing the rounds in Havana, shows just how much the forthcoming visit of Pope John Paul II to Cuba has ignited the imagination, if not the expectations, of the island's long-suffering 11m people. On Wednesday the 77-yearold Polish Pope, whose reputation as an anti-communist crusader still shadows him, will set foot on the island fieldom of Cuba's 71-year-old President Fidel Castro, stern defender of one of the world's last remaining oneparty communist states. Cuba's "Maximum Leader"

Workers construct an altur in preparation for the Pope's visit to Santa Clara in Cuba on January 22

Castro to follow the way of his native Poland and dump one-party communism No, chorus the Vatican spokesmen, Cuban church

leaders and government officials in apparent unison. This is a pastoral, not a political, visit, But if the Pope says he is visiting Cuba as a ' ger of hope and truth",

modities may be in short supply there? And what to make of a recent speech in Rome, in from the headquarters of guest condemn the long-

surely this suggests he

believes these spiritual com-

which the Holy Father said he hoped his visit would help to make Cuba a "more just and united" country. Does that not sound just a tiny bit political?

US President Bill Clinton. who has no qualms about criticising Cuba's one-party system, certainly seems to think so. In recent remarks he said he was "very encouraged" by the Pope's visit to to try to persuade the Pope Cuba and added ominously: "The Pope is a very persuasive fellow.

world "imperialism" is usu-ally enough to set the alarm bells ringing in Havana.

Mr Castro has told reporters he finds it strange that anyone should think the Holy Father would even try to convince him to abandon his faith in Marxism and the revolution. After all, he argued reasonably, did anyone seriously expect him to to give up Catholicism?

Neither, Mr Castro added. would he be so impolite as to This kind of endorsement demand that his revered

standing US embargo

In fact, the pontiff is widely expected to repeat tion to the US embargo, couched in suitably diplomatic terms.

As if to bury speculation about political change, Cuba's government held scheduled one-party general elections 10 days before the Pope's arrival. The authorities reported a miraculous near-100 per cent voter turnout and said this showed the But not all has been sweet-

ness and light. In spite of an assurance by Mr Castro that Cuba has "no material interest" in the papal visit, some big US television networks which have travelled to Havana are furious about what they call "outrageous price-gouging" by the Cubans. They are being asked to pay upwards of \$100,000 for the Cuban TV feed of the visit and \$5,000 a day for each satellite uplink licence, well above normal

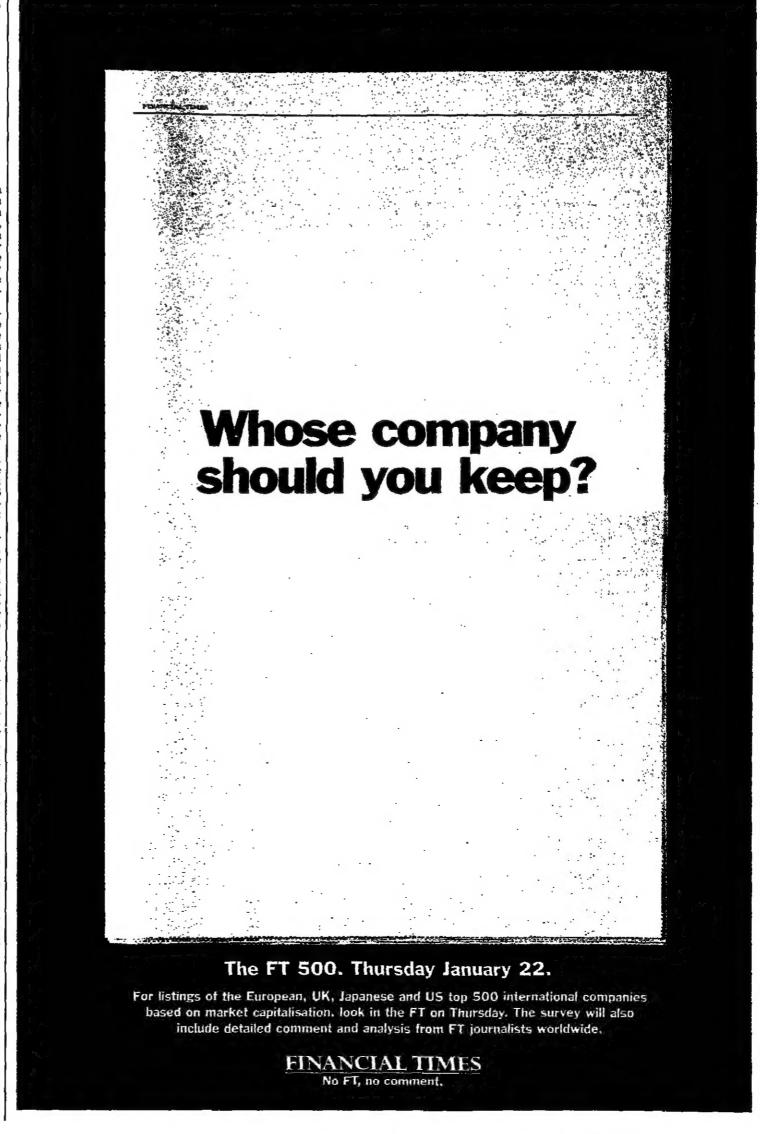
Mr Castro has denounced what he called efforts by "intriguers and enemies" to spoil the visit through "dirty

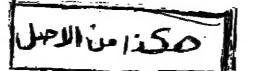
publicity" He cited international media coverage of a Decem-ber 27 incident involving a Mexican tourist, in which a firework went off accidentally near a church in news reports called it a "small bomb" and linked it to the Papal visit.

"That firecracker resounded around the world like an atomic bomb," Mr

Castro commented acidly. Matters have not been helped by other press reports, subsequently confirmed by unnamed Vatican sources, that a listening "bug" was found before Christmas hidden in one of the church buildings that the Pope will visit during his trip. The government has

Amid all the fuss and paranoia, most ordinary Cubans firmly on the ground. "I don't expect much to change," said one Cuban.





### Clinton sex case hearing makes legal history Deposition will see first incumbent president testifying in a court case

By Gerard Baker in Washington

Some time this morning, in a deserted office building a few Arkansas, he wilfully and knowblocks from the White House in ingly dropped his trousers and downtown Washington, the presirequested oral sex, an act that, dent of the US will place his hand since he was governor of Arkanon a bible, swear an oath and talk on video for three hours or so sas at the time and Ms Jones was an employee of the state, about his sex life. The occasion will not be some amounted to sexual harassment,

an infringement of Ms Jones's fednew experiment in schlock confessional television nor a first shot erally protected rights. In spite of efforts by lawyers for by the president at a very perboth the plaintiff and defendant to sonal visual autobiography. It will settle the case before it came to be a piece of legal history. this, today's somewhat surreal Bill Clinton will become the first incumbent president ever to proceedings, if they go ahead as testify as a defendant in a court planned, may mark the point of

as settlement.

She wanted instead a hit more money, an apology and what has become to a litigiously obsessed nation that most precious form of

The proceedings, known formally as a deposition, mark the most visible moment yet in a public relations nightmare for Mr

The president tried to prevent the case coming to court during his term of office, arguing that no president had ever had to defend case. He will be answering a claim no return on a path to a full trial himself in such a way. That argufrom Paula Corbin Jones that, on scheduled for May. Ms Jones has ment was rejected by the Supreme

tional showcases for NBA talent -

But while the NBA gave the world

the awesome talents of Michael Jor-

dan, Charles Barkley et al, the top

players from the NHL could produce

something different: a decent sport-

ing contest. Only around 20 per cent

of the players in the league carry US

come from Canada, where to call

be a gross understatement. The rest

are Europeans of one flavour or

another, with Russia, Sweden, Finland and the Czech Republic fielding

the strongest contingents. Almost all

the world's top players take to the

The translation of this super-

league to the Olympics will involve

some tinkering. The Olympic rink is

about 20ft wider than the average

NHL rink, a factor which should

by giving faster players more room.

harshly on the fighting that often

ice in the NHL.

and a tool for its marketing arm.

egally binding account of his version of events that will be used as evidence at the trial.

The trial judge will be available at the other end of a telephone if of the plaintiff sweeping in to the needed, but the question and presidential mansion for her answer session will be essentially unrefereed. Ms Jones's lawyers have made it plain they intend to at the offices of Mr Clinton's lawask probing questions about Mr yers on a Saturday morning, Clinton's sexual history, many of when the streets will be empty which would surely be ruled out and most citizens' thoughts will

out of its way to limit the damage. Originally scheduled to be held in of his presidential limousine the White House itself. Mr Clin- under the television lights. May 8. 1991, in a suite at the already turned down an offer from Court, and so Mr Clinton has been ton's lawyers and advisers

Excelsior hotel in Little Rock. the president's lawyers of \$700,000 required to give the deposition, a decided against it. Ms Jones is entitled to be present at the deposition, and stomachs clearly turned in Mr Clinton's offices at the thought of television pictures

> moment of history. Instead the event will take place be elsewhere. The building has an But the White House has gone underground car park so Mr Clinton will not be forced to step out

to avoid having to testify in open court if the trial goes ahead.

Ms Jones's supporters argue these efforts at damage limitation have recently gone much further. Last week the Treasury began an investigation into the circumstances surrounding the curious coincidence that Ms Jones and her husband have found themselves the subject of an audit of their tax

In the end, perhaps the most intriguing aspect of the case has been how unmoved the American

records by the Internal Revenue

public has been by it. Even among those who say they believe Ms Jones's allegations, the president enjoys widespread

hold a two-stage contest: the top six

nations will get an automatic pass to the final round of eight teams, min-

imising the amount of time that the

league's highly paid stars will have to spend in the Olympic Village.

There definitely were some wran-

gles," says Steve Solomon, the

league's chief operating officer and a

former senior vice-president at ABC

The fact that these differences

have been overcome is a testament

to the amount all sides believe is at

stake. Hockey may be a national pas-

sion in Canada, but it has only

achieved the status of a national

sport in the US in the 1990s with the

spread of the game to Sunbelt cities

like Dallas, Tampa Bay and Phoenix.

national television exposure in the

US until the deal with Fox in 1993,

and a cable agreement with ESPN

the following year. With TV cover-

age comes big-time sponsorship:

national sponsors will spend \$200m

this year for the privilege of being

linked to the league, 10 times what

they paid five years ago, says Solo-

If the NHL's US business plan is

still in its early stages, then an inter-

national strategy hardly exists.

While some 160 countries are said to

carry NHL games, only around 10

come from outside North America.

has its eyes on countries such as

Germany and Austria, where an avid

following is said to be forming,

As a result, the sport did not have



John Glenn, the first everywhere yesterday with

freckled, crew-cut good looks and ice-cool demeanour enamoured him to Americans 36 years ago when he orbited the earth three times in Friendship Seven, is to fly again to allow detailed experiments on the ageing process.

came when the US was seen. to be trailing the Soviet Union in a space race conducted at the height of the

It was a rejuvenating moment for America, making him in the words yesterday of Dan Goldin, Nasa's administrator, "one of the great heroes of the 20th cen-

per cent of the league's \$1.3bn licensing and merchandising revenues Both Nasa and Mr Glenn vesterday insisted the flight In Europe, the NHL opened its first was no stunt but a serious office. in Zurich, three years ago and piece of scientific experimentation. Space flight has many similar effects to ageing on muscles, bones and the cardiovascular and Using the Olympics as a platform for its best athletes for the first time immunological systems effects which are reversed when astronauts return to

Outlining his decision to go with the same mix of modesty, charm and intelligence which characterised nis appeal 36 years ago, Mr Glenn said the flight should help address the "whys" of what happens to astronauts in space, as opposed to the

When he put the idea to tually?"

Mr Goldin said the man who would be both "America's newest and oldest astronaut" had "a unique blend of experience, exper-

His decision to risk his life again in the interests of science showed the senator undeniably had "the right stuff" - a reference to Tom Wolfe's book depicting the key characteristic of the pilots, including Mr Glenn, travel on the Mercury and

### senator redefines space age

American to orbit the earth, struck a blow for the elderly the news that he is to return to space in October, aged The Ohio senator, whose

Mr Glenn's first flight

The new flight meant. Glenn would be "America's first hero of the 21st century". Mr Goldin added.

Having Mr Glenn fly again will allow study of the effect on somebody wall past normal retirement age and allow Nasa to compare what happens to Mr Glenn's body against the baseline data they hold from his previous

tise and excellent health",

# US industrial Ice stars chase glittering prizes

### production rises sharply

By Gerard Baker in Washington

US industrial production rose sharply last month, as companies ran at their Federal Reserve said yesterday.

The figures were the latest economic stronger dollar. slowdown as a result of the Asian financial crisis of the industrial sector is upward last six months has not

Total output climbed by a seasonally adjusted 0.5 per [stocks] growth eases and cent in December after a 0.8 per cent leap the month

Businesses were running at 83.4 per cent of their maximum capacity as 1997 the bighest operating rate since September 1995, but still comfortably below what most economists regard as the inflationary flash point

of about 85 per cent. Last year was clearly a banner year for US factories output was up by 5.9 per cent on 1996; manufacturing industry recorded growth of

production to slow in the first few months of 1998 as a combination of rising stock the Asian crisis begin to affect output.

The growth in production in the last three months of the year - at about an annual rate of 7.4 per cent was much faster than the growth in demand - what was actually bought.

That suggests companies were forced to put much of the increased production

businesses will tend to ease off production and run down their higher stock levels to meet demand.

In addition, the Asian fastest operating rate in effect should start to be felt. more than two years, the as US companies face weaker demand in the region and are forced to cope with a rise in the price of evidence that the widely their goods as a result of the

> The momentum in the going into 1998, but we expect it to ease over the course of the year, as export growth slows," said Jonathan Basile, an economist with HSBC Markets, an investment

> What no one knows for certain, however, is the scale of this slowdown. If the overall effect on output is small, the Federal Reserve will face a renewed dilemma

> over interest rate policy. Currently the Fed seems content to remain on hold, pending further evidence of the depth of the expected

Some analysts are even expecting the central bank passports. Three out of every five But analysts expect to cut interest rates, as the economy slows sharply.

But if production continued to be as robust as levels and the fall-out from it has been in the last few months, the chances of an easing in policy seem remote. And in yesterday's report the Fed pointed out that December output would have been even stronger if the car industry had not cooled off.

Excluding cars and car parts. December output reduce the amount of body-checking climbed 0.7 per cent following a 0.6 per cent

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Eric Lindros: \$16m deal as center for the Philadelphia Flyers

characterises bockey. play" (not something recognised in hockey a national obsession would the NHL), "butt-ending and spearing," "fisticuffs" and "roughing". Suffice it to say that Olympic penalshould also add to the generally faster and less physical hockey played

outside the NHL. The world has waited a long time for the Olympic match-ups, says Martin Saarikangas, who heads Finland's national hockey organisation. But while he exhibits some frustration at the fact that it has taken so long for the league to free its play-

ers, it is a wonder in many ways that it has happened at all. The Olympics, after all, come in

the middle of an 82-game season. The sport's two different rulebooks While some tinkering with the both read like elaborate combat schedule has meant that no NHL manuals, with their descriptions of games - and hence no television revthe penalties for "excessive rough enue - has been lost, the momentum

There have also been some deeply opposing vested interests to appease. Fox, the television network which ties are tougher, something that carries the NHL will lose the sport temporarily to rival CBS, which covers the Olympics.

cerned about wear and tear on players: team owners have worried about injuries to their stars. "It's a real risk - no other contact sport plays this many games a year," says Bob Russell, a Canadian who has spent 20 years coaching junior hockey teams. And, in one of the most diffi-

to the season will be gone.

The players' union has been con-

cult negotiations, the NHL has persuaded the Olympic organisers to

should give the NHL the push it needs in all these places. The business plan seems to be working well so far. The NHL recently displayed the clearest symptom of a sport that has truly joined the big leagues: the arrival of sky-high salaries.

Lindros last month reached a twoyear. \$16m salary extension - a move that was widely seen as a riposte to the two-year, \$14m deal secured weeks before by Paul Kariya of the Mighty Ducks, a team owned by Disney. When the two Canadians meet in the locker room in Nagano, they will be able to compare notes.

# **Apension** leadlines

he had asked himself "would we see the same kind of changes" in someone who has already gone through the ageing process. Would you be immune to them? Would we be able to find out what turns the ageing process on and off even-

### Texas wins \$14bn tobacco deal

in fixed income investment.

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By Nicholas Timmins in Washington

The US tobacco industry yesterday agreed a record \$14bn settlement with the state of Texas, its biggest setback yet in the face of a tlement would expedite fedspate of lawsuits. The deal, affecting eight

cigarette manufacturers, is the biggest civil settlement in US history and follows the resolution of smokingrelated health claims in Mississippi and Florida, which between them cost as much as the Texas settlement. The deal also precedes what may be an even more damaging case for the manufacturers in Minnesota next week. Details of the agreement

were being announced vesterday as President Bill Clinership sought to put fresh

settlement outlined last June and impose tough antismoking legislation. It was not immediately

clear whether the Texas seteral legislation, which could overtake state settlements. Mike McCurry, White House spokesman, said tobacco companies were "clearly on the run, and on the run for good reason". The Texas settlement -

which involves R.J. Reynolds. Philip Morris, BAT Industries, American Tobacco, Brown and Williamson, Liggett, Lorillard Tobacco and United States Tobacco - is expected to include, like the Florida and Mississippi settlements, pubtising restrictions and a cam-

pressure on Congress to paign aimed at stopping manufacturers now see as agree the \$368.5bn national underage smoking. The industry had said it would fight the Texas case

as one of the weakest

brought against it. Next week's case against the industry in Minnesota is seen as one of the strongest. Hubert "Skip" Humphrey, Minnesota's attorney general, is one of the fiercest critics of the proposed national settlement, describing it as too weak. He is runand is thought to be determined to push the case to trial as a way of disclosing millions of pages of docu-ments which could prove even more damaging to the industry than those already

released disclosures could undermine the national deal which the

welter of cases against The settlements, however, are increasing tension

eral government over what programmes the huge sums involved should be spent on and who should decide, Mr Clinton has proposed that \$196bn of the national settlement should go to the states. but he is already earmarking money from the deal for childcare and other initia-

George W. Bush, the Texas governor and potential presi-dential candidate in 2000, said the state legislatures should decide how the cash should be spent. "I am con-Industry sources fear such cerned that the money is going to be pre-spent." he

President's plans for a referendum on re-election is concentrating minds

# Panama opposition struggles to unite

Most people might expect some messages of congratulations on starting a new job especially if, like Ricardo Alemán, vou have just been appointed to one of the top posts in Panama.

But when Mr Alemán arrived this week for his first day as general manager of the Colon Free Zone trade zone that produces 8 per cent of Panama's gross domestic product, he would not have found any goodluck cards from his former colleagues in his in-tray.

Until he accepted the offer not due until May next year lished in Panama after the sition ranks. rom President Ernesto but there is growing aware- US toppled General Manuel "We are st from President Ernesto but there is growing aware-Pérez Balladares to take charge of the CFZ, Mr Aleman was general secretary of one of Panama's largest opposition parties, flerce critics of the government which has now co-opted Mr Alemán's support.

His unexpected switch election. highlights the difficulties the opposition faces in mounting a challenge to the governing (CFZ), the enormous free Democratic Revolutionary party and to Mr Pérez Balladares, who was elected in 1994 with only 33 per cent of the vote against a divided opposition.

ness that the opposition needs to sort its problems out soon to face a more urgent challenge - the likelihood that Mr Pérez Balladares will seek, via a referendum this year, to alter the constitution to permit his re-

The opposition - which now resigned, as well as the larger Arnulfist party and the Christian Democrats - is Presidential elections are ciples of democracy re-estabRicardo Arias Calderón, a

former vice-president and a Christian Democrat, says time is running out." that under Mr Pérez Balladares "there is centralisation than 60 per cent of Panamaand concentration of power the like of which we have

"It is in this light that we includes the Molirena party have to see the attempt at from which Mr Aleman has re-election."

However, another prominent Molirena member, Rodrigo Arosemena, has supstrongly opposed to the idea ported re-election - earning of re-election. They believe it likely expulsion from the would encroach on the prin- party, but emphasising the from choosing a figurehead sense of division in the oppo- until after a referendum.

"We are stupidly divided. admits Guillermo Ford, Moli-rena president. "We talk a

Opinion polls show more

nians oppose re-election. who will try to agree on a united presidential candidate, face a difficult choice in knowing whether to come forward early wifh their "ticket", and perhaps risk a re-election referendum becoming a vote on their candidate's merits, or refrain

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Transcription of the latest party of the lates



Ministers expected to approve \$65m aid package for van joint venture | Ballet and

### Daewoo to take stake in LDV

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The government is expected to give its approval later this month for up to £40m (\$65.2m) in aid for the proposed joint venture between LDV, the Birmingham-based at LDV and potentially crevans group, and Daewoo of ate a further 2,000 by 2005. South Korea to go ahead. Daewoo will build up to

whether to back the deal. discussed on Thursday by a panel of experts at the will build up to a further Department of Trade and Industry, has been passed to British-built vehicles will be ministers. They are expected sold under both badges, with to give the green light, up to 75 per cent being although the application for exported.

Derby, having a runner at

the Grand National winner

But, although more than

1,000 meetings carrying in excess of £60m (\$97.8m) in

prize-money are scheduled

tion of 12,000, the sport

maintains it is chronically

underfunded, compared with

competitors, and in financial

British-trained horses last

year may have achieved suc-

cess in the US, Europe, Hong

Kong and Japan, and boasted racing's unofficial

world champion, Singspiel.

In the financial return the

sport offers owners, how-

also-ran in 36th place.

Dependent businesses also

face a struggle. The British

Bloodstock Agency yester-

day announced six-month

interim results showing a

3.1p loss per share.

**Advisers** 

face fines

deadlines

Five of Britain's largest

independent financial

adviser groups are facing big

fines after missing a key

deadline for clearing up pen-

They are Burns Anderson

Independent, DBS Financial,

the private investor, said the companies had fallen well

short of a target of complet-

ing 90 per cent of their most

urgent cases by the end of

The five are believed to

have resolved less than 70

fined £425,000 for offences

related to pensions mis-

selling and could therefore

The progress of 41 compa-

nies with the most mis-

selling cases to resolve is

being monitored by the Trea-

sury and the PIA.

sury and the PIA.

Some 29 of those compa-

nies had year-end deadlines

and collectively they met the

escape a second fine.

per cent of their caseload. DBS has already been

December.

sions mis-selling cases.

By Christopher Brown-Humes

applause.

The joint venture, which the deal might fall through minority stake in LDV, in Korea, which has led to manufacturing in the UK. involves investing more than £200m in a new generation of vans early next century. The new products should secure the 1,500 jobs

A recommendation on 120,000 units a year of the new medium and heavy vans at its Polish subsidiary. LDV 80,000 a year by 2005. The

Some observers had feared

Racing proves

an outsider in

revenue stakes

British racing, rich in history, heritage and tradition, is widely recognised as the best in the

world. Owners dream of the Support from

to thunderous Aintree bookmakers

Royal Ascot, or leading in government and

this year for a horse popula- smaller prizes can expect to

the freezing or cancellation The company, which broke of some investments. Mat-industry tradition by selling ters have been further com- its cars directly to motorists plicated by Daewoo's deci- rather than through dealers, sion last month to buy bought part of IAD, an auto-Ssangyong, another Korean vehicles group, which also

Daewoo officials say they remain committed to the project, although some details remain to be negotiated. The company, in intermit-

builds vans.

tent talks with LDV for will take one van for every vehicle LDV builds for itself.

The deal marks Daewoo's Daewoo's engineering and will include Daewoo taking a after the economic turmoil first investment in vehicle product skills as well as its motive engineering and design business, in 1994.

The latest deal will offer a lifeline to LDV, which rose from the ashes of the collapsed Daf group in 1993. Although the company has modernised its products, its vans date back to British Levland designs and would almost two years, has said it have difficulty remaining competitive after 2000. LDV will gain access to

much bigger clout for components purchasing. For Daewoo, the deal offers instant access to the big UK van market as well as LDV's experience in manufacturing and marketing commercial vehicles.

opera hit

by round

of fund

**freezes** 

By Antony Thomcroft

The Arts Council yesterday

announced a freeze in fund-

ing for most of its 165 cli-

ents, with some companies

receiving a cut in subsidy for 1998-99. The council's own

grant from the government

for 1998-99 is £184.6m

(\$300.8m), a cut of £1.5m on

the previous year. Since

1993, the arts have seen a £34m reduction in funding in

Among the largest clients,

The Royal Opera, the South Bank Centre, and English National Ballet will all see a

cut in grant. Several organisation, such as the Ikon Gal-lery in Birmingham,

England's largest city after

London, the ICA in London,

and some modern dance

troupes, will gain. Lord Gowrie, retiring

chairman of the Council,

which is responsible for

distributing £184.6m in gov-

ernment aid, said: "The news is dire. The funded arts

are in the worst revenue cri-

The council made an

across-the-board cut in

grants of 0.8 per cent. By

trimming council running

costs by £500,000 and reduc-

ing reserves, many clients will now see their grant fro-

zen at last year's figure -

effectively a cut in real

Graham Devlin, acting sec-

etary-general of the council,

added yesterday: "Compa-

nies have been tightening

their belts to the point

where in some organisations

it is almost unsustainable.

Most are in very grave diffi-

culties and at the edge of

survival. But I don't believe

that any are in danger of

Lord Gowrie added: "By

prudent management we

have been able to protect

most people from the impact

since 1993-94, representing

an accumulated loss in reve

nue in real terms of £4.1m. The RSC now has a deficit of

Jennifer Edwards, of the

National Campaign for the

Arts, commented: "This is

the last desperate squeeze

from the tube of toothpaste.

Some of our most talented

people are being driven out

£1\_6m..

funding.

sis of my adult lifetime."

real terms.

Progress on the new van range is believed to be going smoothly, with introduction planned early next century. The project includes a proposal to export some vans to Korea, although this may have to be reviewed in the light of the recent economic gyong acquisition.



Owner Sheik Maktoum with jockey Walter Swinburn on Lammtarra after their Derby win

the £13,500 annual cost of having a horse in training. international bloodstock About 23 per cent of owners leave the sport every year. Blame, according to a financial plan published by the British Horseracing Board this week, lies with

the bookmakers and the government. In every major racing country betting underwrites the sport, but Britain's unique system ever, it languishes as an diverts funding into the pockets of private bookmakers' shareholders. Via a statntory levy system, bookmakers provided £56m to the sport from their turnover in 1997, but this ranks as the least generous contribution Owners in Britain subsid- of the big racing nations.

ers competing for the sport's

cover less than 25 per cent of

ise the sport to a greater. The government is blamed degree than in any other by racing for its failure to major racing nation. The top impose greater damands on end of racing has become

extent to which it taxes bet- of £105m would be revenue ting turnover. Betting duty, currently 6.75 per cent, is nearly six times the percent-

aury, asks government to invest £80m of its share of betting turnover into the prize money, or to ensure bookmakers contribute the balance of this sum to the sport. Racing itself aims to

neutral for the government hours before the financial by creating 9,000 jobs, by plan was unveiled, Lord stimulating betting by

preneurs lured to the turf by its social kudos.

Lord Wakeham, Westminster's master fixer, was pergenerate an additional £25m that racing and betting was from self help and marketing an important industry, supthat racing and betting was the bookmakers. The Trea- initiatives. The BHB plan porting over 100,000 jobs and

income. But on Tuesday, 24 Wakeham resigned, mainistic in the current political climate. At a crucial time, one of racing's strongest performers declared himself a

sleet and snow. The worst around the BHB boardroom table. The sport's long-term suaded to take the BHB's difficulties remain the bookpost of chairman to argue makers and the government's belief that racehorse owners' pockets are deep.

#### age of turnover returned to £450m, and by generating taining the plan was unreal-£183m in additional income. racing in Britain, a significantly greater ratio than any Racing's main problem is the widely held perception of Britain's competitors. The BHB's financial plan. that any financial concessions would reward petrodolwhich has been sent to the Usually in January, rac-ing's biggest problem is rain, Home Office and the Trealar billionaires, millionaire tax-exiles, and British entre-

of our loss." The reaction in the arts world was predictably down-beat. "I feel bitterly disapfrost this month has been pointed by yet another year on stand-still funding" said Adrian Noble, artistic director of the Royal Shakespeare Company. The RSC's grant has been frozen at £8.4m

# Bank donations boost charity

on pension have donated an appropriately large amount to charthe Grosvenor House hotel in London.

> banks pledged £610,695 (\$995,432) to the Save the Children fund, almost double last year's figure which itself was a huge leap on 1996. "It was just fantastic," said Janet Abbott, the charity's fundraiser, "In just 20 minutes, it happened. The

In less than half an hour.

Independent, Countrywide world's leading banks pledged nearly \$1m." Financial Options and IFA The Personal Investment Authority, the watchdog for

attended the annual awards dinner on Thursday hosted of the largest donation was

by TV personality Clive posted on large electronic Anderson and organised by screens, alongside the name cial publication.

This year's donations ity in a bidding contest at bring the total raised by IFR tion size.

the Grosvenor House hotel for Save the Children close "Tombs" to £1m. The dinner raised £335,000 last year and £20,000

Save the Children said this year's amount was the largest raised in a single event. It hoped this year's donations would reach £1m next

Kong.
The bankers' generosity
WR's bidding pledged nearly \$1m." was fuelled by IFR's bidding More than 1,200 guests system - the "virtual tomb-

screens, alongside the name After a year of record International Financing of the organisation, Other profits, jubilant bankers Review, the specialist finandonors were listed underneath, in smaller print and in decreasing order of dona-

> "Tombstones" are newspaper advertisements announcing the completion of large financial transactions. They usually contain a list of participating banks in order of their importance in the transaction. The donors did not seem

month at IFR's Asian to be deterred by Clive Awards dinner in Hong Anderson's acerbic asides, one of which suggested that the problems being addressed by Save the Children had been caused by the stone" - where the amount policies of bankers in his

(£122,173) came from Merrill Lynch at the end of the bidding, shortly after the US bank was crowned IFR's people are bein Bank of the Year. Its presi- of the live arts. dent, Herb Allison, was presented with a trophy by Princess Anne, the Princess Royal, patron of Save the

Children. in a surprising decision. the donations from Union Bank of Switzerland and Swiss Bank Corporation were counted as a single bid, which temporarily propelled them to the top slot. The two banks are planning to

"Perhaps this is meant to convey their confidence that the merger is going ahead,"

stroke of inspiration and

Sammy the Tammy, as the

lovely lady was called,

sashayed around, working

her charms on the assem-

bled on-lookers, but failed to

trap her intended prey.

dance out of hiding.

### Outlook for pork futures bright as dynamic duo are captured

By Juliette Jowit, Wales and West

Britons heaved a collective sigh of relief yesterday as a week-long hunt for two pigs on the run from an abattoir ended happily with the capture by police of the second

The two Tamworth Ginger

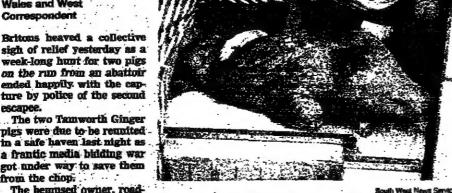
90 per cent target, despite the IFA laggards, the PIA in a safe haven last night as a frantic media bidding war Attention will now switch got under way to save them to the medium priority cases from the chop. The beamsed owner, roadwhich have to be cleared up sweeper Arnoldo Dijulio,

by the end of this year. Helen Liddell, economic secwas considering five figure retary to the Treasury, yesoffers for the pair - worth only £40-£50 (\$65.20 - \$81.50) terday pledged to keep up each at the abattoir. the pressure on the mis-A Sunday tabloid newspa-

Daily Mail, which captured wrongly advised to take out raised the stakes by topping bled through bushes and its offer. The five-month-old pork-

ers fled on Thursday last toir in the village of Mal-Slon providers in dealing England, making their Pig - surrendered to the er's looking glum.

With the matter escape by burrowing under charms of Daily Mail It now had a second with the matter



Happy ending: the second fugitive in the custody of the vet

a fence and swimming reporter Barbara Davies. across an icy river.

They went to ground for a few days in nearby fields account of the coup the next per offered £15,000, but the and gardens, while a growing pack of up to 100 jourthe first pig earlier this nalists, well-wishers, police week, was said to have and RSPCA officers scrabhired helicopters to scour week with the unforgettable the area.

On Wednesday night one went to market/but two week from Newmans abat- of the duo - nicknamed, went on the run/they saved among other things, Butch mesbury, in the west of Cassidy and the Sundance the Avon/and now the farm-

Eventually it was Wiltshire police and a specially trained RSPCA officer who captured the second runaway in Harry and Mary

her "world oinksclusive"

morning, his partner was

The regional Western

playing harder to get

Clarke's garden, after put-ting it to sleep first with a tranquilliser dart. During their eight days on the run, the two pigs cap-But while readers digested

tured hearts around the world, dominating headlines of national newspapers one of which had six reporters working full time on the story - and beaming out on CNN, Sky TV and News at

Now they are in the care Daily Press newspaper of Fleet Street minders until broke the story earlier this they go to live out their promised retirement in luxheadline: Three little piggles ury at one of several animal sanctuaries which have their bacon/with a swim in offered them a home.

First, however, they have grunted exclusive rights to

#### UK NEWS DIGEST

### **Pension opt-out** rebates to rise

The government yesterday signalled its determination that the state earnings related pensions scheme should wither on the vine" by increasing the rebates to those contracting out of the second-tier state pension.

John Denham, the pensions minister, announced that ige-related rebates for personal pensions would rise from 3.4 per cent to 3.8 per cent for younger savers and by esser amounts for older people.

The effect of this is to increase the government's contributions to personal pensions. "This is the most positive gesture yet from the government on personal pensions, said Steven Cameron of Scottish Equitable, the insurer. Mr Denham was forced to act because of projections that millions of holders of personal pensions would opt back into Serps in April, because private pensions had been made less attractive by the abolition in last July's Budget of the tax credit on dividends.

"The rebate increase is enough to allow personal pension-holders to remain contracted out and indicates the government was nervous that lots of people would rejoin Serps," Mr Cameron added.

#### Sterling fails to daunt Hollywood

Several Hollywood film studios plan to shoot blockbuster productions in the UK this spring, allaying fears the

strong pound would prompt a move to other countries. A 20th Century Fox crew began filming Entrapment, a comedy starring Sean Connery, at Pinewood Studio last week. Next month, a team of Universal executives will prepare for the production of the second of the three Store Wars prequels, directed by George Lucas, at Leavesden Studio in Hertfordshire. Universal, Paramount and Miramax have pencilled in slots to shoot at UK studios in early spring. Stanley Kubrick, the US director, is in his 15th month of shooting Eyes Wide Shut, a thriller starring

Tom Cruise and financed by Warner Bros, at Pinewood. The increase in US-funded productions - including MGM/UA's Tomorrow Never Dies and Warner Bros' forthcoming The Avengers, starring Uma Thurman and Ralph Fiennes – has been one of the chief catalysts for the UK film industry's recent revival. Alice Rousthorn

BANK OF ENGLAND

#### MPs want say in appointments

The government is under pressure from respected backbenchers, including Labour MPs, to give the Treasury select committee a formal role in approving the most senior Bank of England appointments.

They have tabled an amendment to the Bank of England bill, debated next week, saying the Treasury committee should have powers to consider the "competence and personal independence" of nominees for the posts of Bank governor and deputy governor.

The MPs, led by Labour MP Giles Radice, who chairs the Treasury committee, want similar parliamentary oversight to be exercised in relation to nominees to the monetary policy committee, which sets interest rates.

Mr Radice said they were attempting to address widespread concern that the UK's central bank would become insufficiently accountable to parliament or the British electorate. MPs sponsoring the amendment include Charles Clarke, the former chief of staff to Neil Kinnock when he was Labour leader, and Tony Colman, the Labour MP and erstwhile director of Burton, the retailer. Other signatories are Malcolm Bruce, the Liberal Democrat Treasury spokesman, and Tory MPs Quentin Davies and Sir Michael Spicer.

#### Yarrow signs \$326m Brunei deal

Yarrow Shipbuilders, the Clydeside shipyard owned by General Electric Company, this week signed a contract worth more than £200m (\$326m) to build three offshore patrol ships for the Brunei navy. Construction of the first vessel will start next year. The order will lead to a small increase in the workforce.

Yarrow is the Royal Navy's principal supplier of Type 23 frigates. In February 1996 it won a contract worth nearly £400m for a further three ships of this type and will launch the first in May.

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Mis-selling took place in the late 1980s and early 1990s, when hundreds of thousands of people were personal pensions when they would have been better off in occupational schemes.

There is clear evidence that many IFAs are making slower progress than pen-

### The Asian contagion

Wall Street and is seriously mooted by some US academics, including the former labour secretary, Robert Reich, now professor of social and economic policy at Brandeis university.

They are probably wrong, but the arguments are instructive, At least, there is a risk that the south-east Asian banking crisis will pull down western economies more than is now expected, particularly if there are further unpleasant surprises.

The doomsday case, briefly, is that price deflation of world commodities had already begun before the Asian crisis. The two in combination could push the US into recession and snuff out the beginnings of recovery in continental Europe. Then, with Japan in the doldrums, global recession would feed upon itself.

Central bankers on both sides of the Atlantic no doubt believe they have gained enough wisdom in the past 70 years to head off such a calamity with a cy. Indeed market interest rates in the industrial countries already imply that short term rates this year will be about 😘 percentage point lower than was expected before the crisis.

The authorities may point to the fact that the direct effects of the crisis are so far localised. Direct exports to the countries most affected are relatively small both from Europe and the US. And the lending of US banks to Thailand, Malaysia, the Philippines, Indonesia and South Korea represents only adverse consequences for about 20 per cent of their international lending - roughly the same as for the UK.

#### Damping down

Moreover, it is argued, the recent turmoil must be seen in proportion. Debt service payments in Asia last year reprecountries' gross domestic prodper cent for the countries in the in combating inflation. Latin American debt crisis in the early 1980s.

The International Monetary Fund estimated in December that the crisis would reduce growth in the developed economies this year by about 0.3 percentage points - a significant in Britain after 1987, too much but not disastrous amount. In the US and UK, it might be could have dire inflationary argued that such a damping down was no more than the cen- It is a very fine balance.

slump has caused jitters on anyway, to keep inflation under

But since the end of last year, analysts have become more pes simistic about the global penalties. The latest consensus of international forecasts puts the growth of world output at 2.5 per cent this year, a full percentage point below the downgraded IMF prediction.

Even this slowing hardly justifies fears of 1930s-style deflation. But it does illustrate the growing uncertainties which now beset policymakers, and so increase the chance that they

#### Rescue package

In Asia, there are at least four possibilities for things getting worse, and so spreading conta gion via other emerging countries to the industrial powers First (though unlikely) China might be forced into devaluain any of the countries could prove inadequate. Third, if the Japanese authorities fail to ease fiscal policy, the economy could slide into deep recession. Fourth, there could be a serious default in the region.

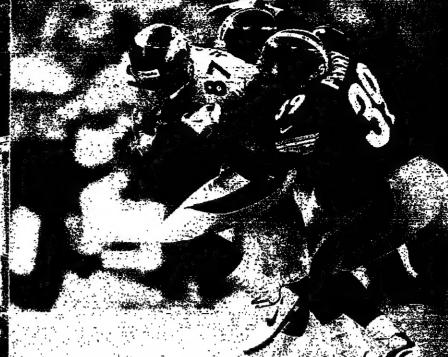
Any such development could cause serious upset in the markets, perhaps throttling the flow of funds to emerging countries and further ratcheting down world growth. A further serious worry for the US Federal Reserve would be a collapse of share and property prices. The growth and employment could be much worse than in 1987. when, unlike now, the US economy was plainly overheating.

These are no more than spectres. But they will cast sombre shadows over the central banks discussion of interest rates. The Fed will be more anxious about precipitating a collapse in share sented about 16 per cent of the prices than it might have been 18 months ago. The Bank of uct compared with more than 50 England might soften its rigour

But there is another side of the story. The risk of being over accommodating may seem world's inflation is running at an annual average of only about 21/2 per cent. But, as happened easing to head off recession consequences a few years later.

This week, dramatic changes shook up two big consumer businesses: US TV networks and sportswear worldwide. Behind both lie the rising power of popular faces, successful shows and blockbuster brands





## Winner takes all

price of hit US television prorammes doubled - soaring sixfold in one case. This has started an inflationary chain reaction that will resonate across the world's living rooms,

US consumers and advertisers will be first to pay – through higher prices for TV services and commercials - for the staggering \$18bn broadcasters agreed to pay the National Football League for transmission rights to the next eight years of America's favourite sport

International viewers may care little for the "pigskin" game, but they will suffer in their turn from the auction's immediate consequence: the bidding frenzy that ended with NBC's offer to pay \$13m an episode for ER, a hospital drama shown round the world, for which the network now pays \$2m an episode.

Gene Jankowski, a managing even more impact than the football contracts. in a market where most TV series sell for no more than 22m a show, producers of prime-time series will inevitably turn up on the networks' door-

steps demanding higher prices. Indeed, the door is already open for some. The eponymous star of America's most popular comedy, Seinfeld, another global

rejected fees of \$5m an episode to continue the series. More actors will demand higher pay, and the costs will be passed down to the consumer. After all, asks Mr Jankowski: "What would you do if you made a hit show and were getting a 10th of the ER price?"

So why are American broadcasters, which have been losing ground to cable TV for years, spending vast sums on blockbuster shows? What do the record fees say about the world of multi-channel TV? And what might be the effects?

The cable industry makes much of the fact that it has eroded the networks' monopoly of the viewing audience to a share of less than 50 per cent. The networks, however, may be down: they are far from out. The big four - NBC, ABC, CBS and Fox - can still claim more than 60 per cent of the prime-time audience each night and they remain the only TV services to provide national coverage.

Cable services can only reach director at Veronis, Suhler, an as far as their copper wire net- ers on weekday evanings. That is investment bank specialising in works extend. Most of the chanmedia, thinks that deal will have nels on offer target specific groups of viewers, such as children or music and sports fans. Federal rules oblige them to (see below), the importance and carry all of the broadcast networks, the mass entertainment specialists that have traditionally provided "free" television in a are a TV station without football, mix of programmes designed to you are a second-class citizen," offer something for everyone.

For their part, the networks'

high disposable incomes, has News Corp, to outbid it in the feld - when promotion for the enabled them to defend their previous auction of broadcast coming weekend's new film advertising rates - indeed consistently increase them - despite losing viewers to cable. Between 1992 and 1996, when the broadcasters' share of prime time fell 5 percentage points, their advertisrate of more than 7 per cent a ers," says Mr Jankowski. "broadcast is the only show in town."

And football is the only game in town for the networks. More than 130m Americans are expected to watch the approaching Super Bowl, setting yet another audience record. During the winter months, when TV viewing is at its peak, the networks depend on strong weekend and Monday night sports audiences to promote their evening prime-time schedules for the week ahead. With so many channels com-

peting for attention, whoever gets the message out ahead of the crowd and to the biggest audience is most likely to pull view-Semfeld, can command advertising rates of \$500,000 for 30 seconds. Rather as in sportswear the price of the most popular consumer attractions is soaring. "It comes down to this: if you

says Mr Jankowski.

CBS learnt that lesson in 1993, blanket coverage, tuned to appeal when it allowed Fox, which is hit, was reportedly offered and to 18-to-50-year-old viewers with owned by Rupert Murdoch's night schedules - following Sein-

rights for football. With the loss of the sport, the network plunged from first to third in the rankings, where it languishes. The fledgling Fox was promoted overnight, and the Big Three which had hitherto dominated viewing became the Big Four.

CBS this week attempted to

restore its fortunes by paying \$4bn (twice the old price) to show some American football games. Fox stumped up \$4.4bn for another package of games, and Walt Disney, which owns ABC and the ESPN cable sports channel, followed with a \$9.2bn deal, a grand total of almost \$18bn. That left NBC, the top-rated network. with no football on its schedule for the first time in decades. Time Warner's TNT, the most popular cable channel in the US. was also pushed out of the game.

The NFL, which started the decade earning \$500m a year from TV rights and last year collected just over \$1bn, will enter the next century with annual But the pigskin auction was to

be only the prelude. There was

more serious business afoot as NBC found itself again on the defensive. Still reeling from the impending loss of Seinfeld, its most popular show, it was forced by counter-bids from the likes of Fox to pay more than six times the current price to keep ER. It had to: ER commands pole position in the network's Thursday

Wall Street was left wondering at the sums involved in the week's transactions: the \$18bn for football rights is only slightly less than the \$19bn paid by Dis-ney for the whole of Capital Cities/ABC two years ago. But investors were pleased to notch up CBS shares on the news that it was coming back to football.

Revenues are likely to rise. A former president at CBS - the network which set the week's spiral in motion - said he expects an immediate increase in cable subscription costs and advertising rates when the new football and television seasons start next

Most analysts reckon that today's asking prices for halfminute football slots, which now range up to \$350,000, are likely to rise more than 12 per cent, compared with "normal" inflation in TV advertising rates of about 6

tions will appear next November when the TV and football seasons

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Water

Let Berry

But it may take years - as many as four, says Mr Jankowski - for the effects on audience pulling power to become apparent at the networks' bottom line. Advertisers and consumers around the world can expect to feel the pinch long before then.

**Christopher Parkes** 

## Showing a clean pair of heels

Nike any more." The message from Paul Fireman, chief executive of the US sportswear group Reebok, After spending hundreds of millions of dollars slugging it out with its rival to sign sponsorship deals with basketball stars, Reebok is switching to custom-made grew ever-faster around the world, the stakes became proshoes and older customers, and away from mass-producing \$200 gressively higher. sports shoes for kids.

e don't want

to compete

bead-on with

It looked like the white flag in what for the past decade has been one of the business world's fiercest battles, on a par with Coca-Cola/PepsiCo, or General Motors/Ford. Only a decade ago Reebok was

by some distance the dominant force in the US athletic footwear market, having overtaken Nike in the mid-1980s. With annual sales of \$991m and a 31 per cent share of the US market in 1987. Reebok was much larger than its rival, which then boasted sales of only \$597m and an 18 per cent market share. By the start of the 1990s, how-

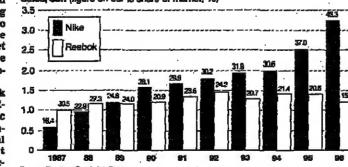
ever, the two were level. It was at this point the competition intensified as Nike and Reebok battled to develop what they like guy" who fancied himself a "big- famous sports star - the basket-

to call "new footwear technolosive marketing campaigns and outspend each other in signing up the biggest sports stars to endorse their products. As the sports shoe and clothing market

What made Nike v Reebok compelling was that the combatants were led by two charismatic generals willing to put themselves in the line of fire. Phil Knight, Nike's flamboyant founder, and Mr Fireman at Reebok were far from respectful

Mr Knight spoke of "hating" dismissively of Reebok that "the most innovative piece of R&D equipment they have is the copy machine". In his book Just Do IL author Donald Katz wrote: "Paul Fireman was installed as a semiofficial devil figure inside Nike, and he remains a dark presence there to this day."

In return, Mr Fireman ridiculed Mr Knight as "just a shoe Sports shoes: Nike races ahead Sales, Son (figure on ber is share of market, %)



time presence in sports". He was would win. In 1993 he predicted his company would be back to the number one spot in the market within two years.

second place. Nike's triumph was founded primarily on the succes of its Air range of shoes, which were sold to millions of consumers with the aid of America's, and later the world's, most

ball player Michael Jordan. Sales of the range were driven by a marketing campaign that established in the minds of consumers a powerful connection between the Air Nike shoe and Jordan's acrobatic feats on the

basketball court. "It was an intuitively simple technology to understand," says John Horan, publisher of Sporting Goods Intelligence, a US ous to consumers that if you put match other brands' successes

Reebok had its own version of the idea in the Pump shoe, and although that proved popular initially, the range never really captured the imagination of the public. Reebok lacked the sort of superstar endorsement for Pump that Jordan provided for Nike's Air. Reebok tried hard to find one, paying vast sums of money to sign up Shaquille O'Neal, basketball's genial giant and a onetime pretender to Jordan's throne as the sport's pre-eminent

Yet O'Neal's appeal was limited compared with Jordan's and other figures were no more successful.A new line of expensive Reebok shoes promoted by rising basketball star Allen Iverson recently failed to impress the youth market in the US.

"That stuff sells to 14-year-old boys, and there is a limited number of 14-year-old boys who are going to give you one 150 bucks for a shoe," says Mr Horan.

With its domestic market stagnant, and Reebok failing to

an airbag under the foot it will with sports clothing, the company finally realised it no longer made sense to try to keep up with Nike.

It was Nike's willingness to pump vast sums of money into promoting its products that, perhaps as much as anything, forced Reebok to concede defeat. As sports shoes and clothing became a fashion phenomenon in the 1990s, the ability to support a brand with big, sophisticated, and hugely costly marketing and sponsorship campaigns was

om Doyle of the **National Sporting Goods** Association in the US says: "It has a lot to do with the dollars available for sports marketing," and Reebok simply did not have enough dollars. Last year Nike spent almost \$1bn marketing its brands, and Reebok just \$400m. With that kind of gap it should have been obvious earlier that the fight between the two had become an nnequal one.

Yet having seen off its great US rival, Nike would be unwise

to consider its job done. Adides. the revitalised German sportswear brand, is beginning to steal some of Nike's thunder, particularly at the more fashionconscious end of the youth mar-

Though it is much smaller than Nike (annual worldwidesales of about \$3.7bm compared to Nike's \$9bn), Adidas appears willing to match Nike dollar for dollar in what is rapidly becoming sport's new battle of the brands. It recently signed several young US basketball stars to . multi-million dollar endorses deals, and outbid Nike to win the \$45m All Blacks rugby spousorship contract. John Hartley of the London advertising agency Howell Henry Chaldicott Lury, who worked on the Adidas account at a previous firm. believes Adidas has replaced Reebok as Nike's real rival. . ..

This particular war, he says, will be fought on a new battle field. "It will take Nike years to overtake Adidas in Europe, and Adidas years to catch up with Nike in the US, so it's all about new markets in places like Asia," he says. "It's the virgin territory that will decide who ultimately wins."

Patrick Harverson

#### Openness, not institutions

From Mr Jon Livesey. Sir, I read with interest George Bain's comment (Letters, January 9) that a body such as Mr George Soros envisages ("Avoiding a breakdown", December 311 already exists in the form of the Multilateral Investment Guarantee Agency. According to the latest figures on that body's own web page, the amount it has guaranteed is \$2.9bn. At a guess, that is about one week's worth of South Korea's foreign indebtedness, and perhaps something less than 1 per cent of the debt overhang the International Monetary Fund is currently trying to deal

More to the point, supposing the MIGA actually had guaranteed the roughly \$150bn of Korean debt and perhaps \$150bn of other debt we seem to be con-

fronting. What exactly could it do that the IMF won't do? Guarantees are fine in times of gradual defaults, or when the risks are limited to specific, nonwith the current MIGA. But when huge amounts of debt go bad at once, we don't need guarantees, much less another international bureaucracy. We need a great deal more openness on the

We need to have more rigorous and investigative lenders, who demand full disclosure from borrowers. We do not need cries of 'stop me before I lend again".

part of borrowers than we have

Jon Livesey, Mountain View, CA 94043, US

#### ·LETTERS TO THE EDITOR·

Number One Southwark Bridge, London SE1 9HL We are keen to encourage letters from readers around the world. Letters may be fixed to +44 171-873 5938 (please set fax to 'fine'). e.mail: letters.editor@fi.com
Published letters are also available on the FT web site, http://www.FT.com
Translation may be available for letters written in the main international languages.

### A price not worth paying for Emu

From Mr Robert Rainford. Sir. Your leader "How to make Emu work" (January 13) rightly identifies the EU's lack of institutions, labour market inflexibilities and uncommon fiscal policies, which will all act against the environment for a successful Emu. Your conclusion that the single currency is worth striving for as the way to get Europe's 19m unemployed back to work is not supported by the results of the ERM experiment. Unemploy-

ment rates in France and Ger many are frighteningly high and could result in social unrest. Social and industrial policies proposed by Lionel Jospin, the French prime minister, will result in increased labour costs for industry and reduce France's competitiveness. Both countries have yet to implement many of the reforms that the UK has implemented over the past 17 years, and which will probably

result in a continuing rise in

unemployment for both. Is it not the case that it is the French and German unemployed who continue to pay the price of the Emu experiment in their countries. I, for one, do not believe that increased unemployment in the UK is a price worth paying to join Emu.

Robert Rainford 82 Michelham Gardens, Twickenham. Middlesex TW1 4SB, UK

#### A leader above others

From Mr Neil Hayter. Sir, It was at first sad to see no mention of Jo Grimond in John Ramsden's review of The Lost Leaders (Weekend FT: "The three pretenders", January 10-11), for surely be was bead and shoulders above mere calculating politicians like Rab Butler and Iain Macleod. But then, rather than

be considered with such people, perhaps he should be regarded as the best president we have never had of the republic the UK has yet to mature into.

40 Central Way, Oxted. Surrey RHS OLZ, UK

#### Right in one instance only

From Mr Dave Clayman. Sir. Tony Jackson's article on deflation ("The stuff of nightmares", January 10-11) refers to "conventional LIFO accounting" - true in the US, false in the UK. The conclusion he draws only makes sense if FIFO is substituted, but then this would be

truly conventional in the UK. falsely so in the US. How hard it is to be an interna tional financial newspaper.

Dave Clayman, 113 Grapetree Dr.,

Florida 83149, US

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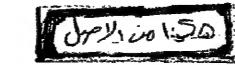
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Patrick Harm



Man in the News · Augusto Pinochet

#### going to go quietly. But at least. General in his labyrinth the government hoped, General Augusto Pinochet might go decorously when he finally

Chile's former dictator won't retire gracefully, says Imogen Mark

ter of a century as Chile's The general had after all, behaved unexpectedly well delaying the handover until when he handed over to a day, it had been rattled by a civilian government, in threat from junior congress-March 1990, after 17 years in men to press charges of con-stitutional misbehaviour on power. (Admittedly he had just been soundly beaten in the old general. President a national referendum to Frei, who had told the nation that Gen Pinochet Now, to ease his withwould be abandoning his

drawal from the military, Eduardo Frei, Chile's presilooking foolish. dent, was prepared to turn a blind eye to the massive. expensive – and entirely irregular – military parade being planned as a final act of homage. In exchange, the general was to pass over the paton to his successor on January 26 before taking up his seat as a senator for life. Parliamentary immunity would protect him against .

e was never

resigned after nearly a quar-

army commander.

prolong his rule.)

any attempted prosecution At 83, the general is for his responsibility in the murder, torture and disappearance of thousands of political opponents. The police would deal swiftly, and no doubt roughly, with any public demonstrations on the day the general gave up his command. Congress would close immediately for

the summer recess. But plans went badly awry this week. On Tuesday the army announced it was the dark glasses, the pugna-

post in January, was left The constitutional crisis sion the computer's mag-

deepened with the resignation on Thursday of the defence minister, who left warning that relations with the military were "very delicate". The government now appears uncertain what to do in the face of army pressure to get its rebellious congressmen to drop the charges.

patently no longer the man he was when he came to power in the 1973 coup that overthrew Salvador Allende, the elected president. But this week's events demonstrate that he, and more particularly the army that he has nurtured, still plays a big role in Chilean politics. In his early years he was

the image of a Latin Ameri-

cious jaw and the bulked-out silhouette of the bullet-proof vest. Nowadays, "the old man" - as even his subordinates refer to him affectionately - often looks shaky on his feet. His speech. high-pitched and never very distinct, is sometimes incoherent. Though he has taken to computer war games with enthusiasm - on one occanetic field affected his pacemaker and sent him into hospital with dangerously

modern and professional But such has been Gen Pinochet's looming presence in Chilean affairs over the nast two and a half decades that, in some ways, his constitutional legacy remains as strong as ever. His successor. General Ricardo Izurieta, will have an overtly political role. Along with the

high blood pressure - the

army knows it needs more

other three services, the army has the right to nominate a former commander to sit in the senate. In the new congress, the army will have two senators, including Gen Pinochet; the airforce and can dictator, right down to the navy will have one each; to reform the constitution and the police will have two and abolish the military

- one designated and one enclaves have been blocked by the rightwing opposition. The four serving military The two main opposition commanders also sit on the parties remain loyal to the general and the armed

they served.

forces whom they supported

leaders would privately be

glad to see Gen Pinochet

consigned to the history

books. His presence in the

them to handle, particularly

as he is talking of playing

expressing penitence for his

actions during miliary rule,

to this day defends his

record as the saviour of the

country. If not for him. he

says. Chile would have

remained a backward coun-

nists, instead of Latin Amer-

ica's most consistently

successful economy over the

try in the hands of commu-

a friend to all Chileans".

**COMMENT & ANALYSIS** 

eight-man national security council, equalling the votes of the president and the other three civilians. The council is there to advise the president, but the military can petition him to call it when they see fit. They are defined as the guarantors of the constitution, and can legitimately intervene whenever they judge it to be threatened

Gen Pinochet has also

Gen Pinochet has also an active role - promoting ensured the armed forces a social legislation and "being spectacular degree of financial autonomy. They receive an annual 10 per cent of the huge sales revenues of Codelco, the state copper company. Their peso budget is index-linked. Most distressing for Chile's democrats, the president - who is commander-in-chief of the armed forces only in time of war - cannot dismiss any officer, even the lowliest.

this problem," he says.

has a clear and authentic

intent to squeeze organised

crime from many sectors of

the economy and to margin-

But defining who is and who is not criminal is diffi-

cult in Russia's anarchic

market economy. The onus

is on the government to clar-

ify, strengthen, and enforce

the rules of the game to

reduce the causes of crime

and encourage legitimate

The liberalisation of Rus-

transparent and competitive

and privatisations is reduc-

ing the opportunities for

The shredding of much red

tape, the promised introduc-

tion of a fair tax code, and

the development of an effec-

tive court system, may also

persuade many shadowy

companies that it is simply

cheaper to act legally than

as Anatoly Kulikov, the

increasingly-powerful inte-

rior minister, are thought to

be contemplating far more

drastic responses - to the

grossly authoritarian and

extra-constitutional mea-

sures that will not hit the

people who are clever, and

powerful, and rich. All it will

do is alienate the people

whom the state wants to get

on its side," says Mark Gal-

eotti, a British crime expert.

almost never been defeated

by police action. It depends

and social, and economic

"Organised crime has

alarm of some observers.

But some ministers, such

criminal collusion.

illegally.

alise and suppress it."

past 15 years. ocratic governments, this But for his opponents the general's status as a senator is a source of anger for persituation is intolerable. It is also hard to change. All sonal and political reasons. their attempts, three in all, "I will have to sit in the chamber every day and look

across at the man who killed and tortured my friends. camp for a year and banned me from entering my own country for 11 years," says Sergio Bitar, a senator.

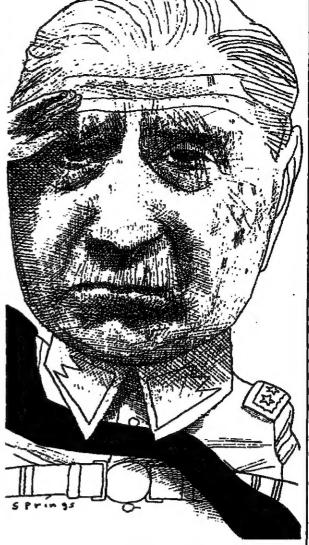
Personal issues aside, says Mr Bitar, "Pinochet closed congress, burned the electoral registers, did whatever he could to delegitimise politics. Having him installed in the senate will discredit congress completely".

in the new congress, and in whose government elected in December and due to take its seats on March But the situation could be 11. the government will be changing. Many opposition as far as ever from the twoconstitutional reform. But the prospect of having to cohabit with the old dictator has sparked a new determisenate will not be easy for nation in Mr Bitar and many of his colleagues. They are preparing to organise a national campaign for a referendum to demand consti-

> such "posturing" as irrelevant and a waste of time. The government should not potential threat to Chile's impressive economic growth from the Asian crisis.

The opposition regards

Gen Pinochet is a real issue, retort his opponents. Government should be for. with and by the people, not for, with and by the army. In the end, they say, that is the only true guarantee of social and economic stabil-



Executives are still being murdered in Russia but crime is down and the state is fighting back, says John Thornhill

# Making a killing

s Yevgeny Tsimbal-istov, the 49-yearold director of the vast Rossiya hotel on Red Square, left his apartment in south east Moscow last Friday, he was clinically dispatched with two shots to the head and chest from a Makarov pistol. No one saw the incident. No arrests have

Mr Tsimbalistov became this year's first noted contract killing and the latest grim statistic in Russia's struggie against crime.

Just as many associated the Soviet Union with bleak authoritarianism and the hammer and sickle, so modern Russia conjures up the authorities may finally images of lawlessness and the Kalashnikov, with the nals. This week, Yuri Skura- cartelising the market and trade regime has already Russian "mafia" at the heart tov, the prosecutor general, of the action.

president, once said that the year. Detection rates is becoming more armed, auctions for state contracts mafia is threatening the very integrity of the state and turning the country into a "superpower of crime". In the past six years. Mr Yeltsin has ordered seven crack- succeeded in stopping the downs on organised crime to little obvious effect. The interior ministry claims that two-thirds of the Russian economy is under the sway of organised crime, including 40 per cent of the country's

private businesses and more than half its 1,740 banks. Such concerns have been amplified abroad. Last year. the Center for Strategic and International Studies, a Washington-based institute, warned that Russian organised crime represented a grave threat to western security interests: Unless the danger was confronted, it would "become impossible for the United States and other-states to have traditional satisfactory dealings with an emergent Russian criminal-syndicalist state," it

concluded. But public discussion about crime is, by its very ble passions and lack of ana-

ail passengers
delayed on a windswept station platform or crushed

lytical clarity. Decent, sia is following the same patstruggle to obtain foreign visas, are gravely offended by the ill thought out link- growth resumes. ages between Russia and

Thousands of domestic and foreign businesses operate in Russia without being harassed by hoods, they argue, while the streets of Russian cities feel safer than those of some US, let alone Brazilian or South African. cities. Besides, why does everyone talk about "organised" crime in Russia when every activity is so disorgan-

There is some hope that he shaking down the crimiannounced that crime had Boris Yeltsin, Russia's fallen by 8.7 per cent last

improved. Thanks to the collective efforts of the law enforcemachine as a whole, we have growth of crime in the country, in establishing control over the the crime situation." Mr Skuratov said.

But, as ever with Russia, the bare statistics - even assuming they are reliable are open to interpretation. The benign view is that Rus-

Just as many associated the Soviet Union with authoritarianism, so modern Russia conjures up images of lawlessness and

the Kalashnikov

law-abiding citizens, who tern as other transition countries, namely that crime rates drop as economic

Moreover, those criminals who stole assets in the turmoil attending the break-up of the Soviet economy now have a strong interest in defending their property rights, preferably by legitimate means, just as the children of America's nineteenth-century "robber barons" turned into the great and the good.

But the more sinister interpretation is that criminal organisations - which recent academic studies suggest are often best analysed as rational businesses - are sia's once-restrictive foreign moving further up the drained several pools of cor-"value added chain". As Mr ruption. The introduction of Skuratov also noted, "crime more organised, and more

Much criminal activity ment bodies, of the state such as prostitution rings, gambling, smuggling, counterfeiting - is marked by relatively low costs of entry and strong competition. That makes earnings volatile and demands high security costs - both to protect one's own business and eliminate oth-

> Such considerations provide a strong incentive for criminal organisations to infiltrate established busipesses and to enter into collusive agreements with government officials to defend their "rent seeking" activi-ties. It is that alarming trend which appears to be gather-

ing pace in Russia. Oleg Babinov, director of the Moscow office of the Risk Advisory Group, a security consultancy, says crime is threatening Russia's prospects of economic recovery. domestic investment, and stalling the development of on an upsurge of political, small businesses.

"I think the state is com- pressures to force it to the ing under severe pressure edge," he says.

hen the Repub-lican National Committee they will be haunted as always by the political ghost of the most revered Republican president this century. It is from the financial-industrial hardly surprising that so many are looking back with groups, from the big banks nostalgia at the Ronald Reaand oil companies, as well as gan era. The challenge is to foreign investors to address find an heir to his "The Russian government

When he galloped into the sunset in 1989, some in the US shed tears, but most felt no great loss. George Bush was securing the Reagan legacy, and many felt it was time for a change - for "a kinder gentler America".

Nearly a decade later, with a Democratic president in his second term in the White House, the Republican party is finding it misses Mr Reagan intensely. Despite electoral success in Congress. the conservatives are deeply divided between libertarians and social conservatives. Yearning for a charismatic leader to push for simple policies they could all agree on cutting taxes, bashing big government, waging an aggressive cold war -today's disparate leaders are

outdoing each other in pay-

ing tribute to him.

Dinesh D'Souza misses the Gipper more than most. At one time a junior policy adviser in the Reagan White House and now best known as an opponent of affirmative action. Mr D'Souza has taken on a new task: to "solve the mystery" of Ronald Reagan. In doing so, Mr D'Souza is clearly boping to do more than simply examine Mr Reagan's extraordinary career. He wants to "Kulikov is talking about uncover the lessons of his leadership so today's Repub-licans – who he sees as "utterly bereft of either the vision or the resolution to pursue any major new initia-

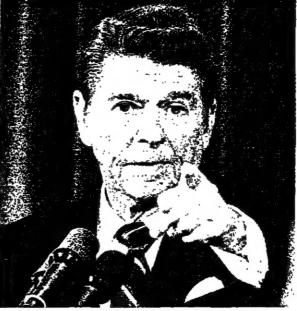
> Clinton. As a result, Mr D'Souza's book is less biography than an intellectual defence of the Reagan years. He makes only a token attempt to disopposes the view that Mr

tives" - can seize control

back from the detested Mr

### One for the Gipper

Mark Suzman examines the US Republicans' nostalgia for the Reagan years



Ronald Reagan: evokes nostalgia among Republicans

lightweight whose achieve- of the Oval office like Richments, such as they were, ard Nixon, Jimmy Carter. were due to "pure luck".

chased prosperity through unsustainable deficits, and the Soviet Union's collapse nal problems, few would deny that Mr Reagan deserves some credit for both events.

D'Souza. Mr Reagan was "the supreme statesman of his era, a leader of the calibre of Charles de Gaulle and Winston Churchill". Mr D'Souza tries too hard to cast Mr Reagan's flaws as such as the Iran-Contra affair.

Reagan was an intellectual In contrast to other holders George Bush and even Mr While it is true that many Clinton, he showed a "blithe

assert the Reagan boom pur- indifference" to "the com-That is not enough for Mr details would work them-

As his supporters willingly cuss Mr Reagan's life outside acknowledged, while Reagan the presidency. Mr D'Souza was intensely ideological, he was certainly no intellectual.

plexity of executive responsibility". Nevertheless, Mr D'Souza argues that that lack was more than compensated for by his "moral imagination" - the unshakeable belief that good would triumph over evil and the

Mr Reagan had an ability to focus on the big picture, but his tenure included some famous lapses, which are difficult to explain away. He failed to recognise his own virtues and plays down gen- housing secretary at a maynine errors of judgment, ors' meeting, and agreed to rearrange the timing of some official meetings at the behest of his wife's astrologer. Undaunted, Mr D'Souza

ening. He also argues that the meticulous scripting of the old actor's daily schedule is evidence of focus rather

Mr D'Souza is most interesting when trying to uncover the reasons for Mr Reagan's enduring popular ity, in particular with the working and middle classes - the so-called Reagan Democrats - who have now largely given their allegiance to Mr Clinton.

The key, Mr D'Souza argues, was that Mr Reagan was able to give the impression of being less fierce than his rhetoric. He would berate big government or the Soviets with a twinkle in his eye. suggesting he didn't quite mean it. He would make inflexible statements of principle and then prove remarkably pragmatic in cutting

That is exactly what today's new-Right firebrands are unable to do. In Mr D'Souza's useful phrase. they are largely "Old Testament" politicians in the tradition of Barry Goldwater, the hardline Republican candidate who was crushed by Lyndon Johnson in the 1964 presidential race. They are ideologues convinced of their own rectitude and heedless of others' views.

Mr Reagan, by contrast, a former New Deal Democrat himself, was never absolutely hostile to what Franklin Roosevelt wrought. He merely felt it belonged to a different time and place. To end the US malaise at the end of the 1970s, the American people needed to be persuaded that a new approach was needed. No one could do that better than the Great Communicator.

The Republicans have now reverted. While a new generation of leaders may be competing to claim Mr Reagan's mantle ahead of the 2000 presidential race, none has his stature, style or popular touch. To the relief of his opponents and to Mr D'Souza's everlasting regret, the old movie star was very much an American original.

Ronald Reagan: How an Ordinary Man Became an Extraordinary Leader,

### Privatisation comes off the rails

Many of the new UK train companies are failing to do their job, says Charles Batchelor

pit in an overcrowded carriage have long known that all was not well. But this week's review of train comoversees the workings of the ted. privatised railways, has pro-

tion that services have got worse since privatisation. event - visions of crashed The 25 privatised train trains and bitter legal dishand over 22.4m (\$3.9m) in new rail companies - have penalties to the state during not come to pass. What has the last three months of happened is a more mun-1997 for running impune- dane but no less damaging tual trains. In the same failure of everyday manageperiod of 1996 the compa-ment. This is something that nies receivedbonus pay- even the traditional excuse ments of £290,000 for good of blaming Britain's not parperformance from the gov- ticularly severe weather ernment. ("trains are delayed because

rument. ("trains are delayed because Rail privatisation was a of the wrong kind of snow") British invention and a can no longer hide. notable export. In some "The new train companies notable improvements on layer of junior managers ing to some rail experts. lines that which were pro- and senior supervisors."

viding a dreaful level of ser- says Bill Bradshaw, a trans- nearest thing to war," said owned operator of London to problems with track, private operator took over, vice before. But in its home port academic and former Roger Ford, industry editor suburban services, admitted power supply or signalling. BR is not the comparison," pany performance by John market, it has so far failed British Rail manager. "They of Modern Railways maga-O'Brien, an official who to bring the benefits expective were the people who knew zine and a former BR man-True, the worst fears con- work. But because they and motivation to deal with vided unequivocal confirma- jured up by opponents of didn't actually drive trains 30 trains coming into your privatisation before the their role was not very depot for an overnight wash

. clear, so they went." David Bertram, chairman operating companies had to putes between the many of the Central Rail Users' Consultative Committee, the says: "Whatever people think about running a railway, the realities are rather feel that loyalty. different when you lift the has not been enough attention to detail."

train operators have failed countries, such as Argen-made a blind rush at cutting that BR, for all its fallings, taking sick leave. tina, it has brought some costs and took out a whole inspired in the past, accord-

how to make a timetable ager. "You need enthusiasm and change of brake linings." Staff faced with the prospect of redundancy because wage costs are one main passenger watchdog, of the few areas where the train operators can trim

expenditure are unlikely to

It may be no coincidence corner of the stone. There that Connex South Eastern, the most heavily penalised rail company in the recent In addition to sacking the review, faces staff shortages wrong people, some new at one of its main repair and maintenance depots and has to instil the corporate pride a high incidence of drivers

> Geoff Harrison-Mee, man- years to make up. aging director of Connex With between 60 and 70 are better than under BR. The train operators must

to a gathering of rall man- it is crucial that Railtrack says Mr Ford. agers this week that the maintains the momentum of company, which has shed its £16bn 10-year refurbishmore than 300 employees, ment programme. But while to deliver is the more suc-"has to get back to basics". Effective management is

sheep from the goats in the railway business, but all train companies face a con- Mr O'Brien, who can inter- vatisation argued that the siderable challenge in meeting the expectations created by the sell-off of BR. The far proved cautious in starting to provide a lever transparency required from private companies means that failures which BR could

backlog of underlavestment before privatisation. rolling stock that will take its critics. "It is all very

"Running a railway is the South Central, the Prench- per cent of train failures due but two years after the first move fast if they are to have yet to deliver.

Railtrack is penalised for cessful ones such as Scotrain delays that are its tRail, LTS Rail and Great the system are ineffective. senger needs. Critics of pri-

applying the range of sanctions at his disposal.

well for ATOC to say things is close to being over".

companies that are failing

what distinguishes the responsibility, there are North Eastern, which fears that the incentives in appear to be meeting pasvene most directly to penal- industry was being unduly ise had performance, has so fragmented, but this is now for higher standards.

But two years into what The Association of Train in many cases are seven hide are exposed to public Operating Companies count- year franchises the train ers that recent performance companies are running out At the same time, opera- levels have still been better of time. John Welsby, chairtors have to cope with a than in 1993-1995, just man of British Rail, which advises the government on in both infrastructure and But this does not satisfy rail issues, warned this week that "the honeymoon



avoid renewed government intervention. Freedom from the constraints of direct political interference and public sector spending congation many in the industry

1912 - 1913 - 19 1913 - 1913

nstance only

Marketty and

1041 1,009 24,720 1062 1,017 12,625 1080 1,422 22,828

943 27.792

E COCOA LIFFE (10 tons

### **Prospects** for oil bring little cheer

MARKETS REPORT

By Susanna Voyle

World oil prices rose slightly yesterday, but the price remained within the depressed range of this week. In afternoon trading on London's International Petroleum Exchange, Brent Blend for February delivery - the international benchmark - was at \$15.38 a barrel. 16 cents up on Thursday's close.

The lack of serious upward movement will have done little to cheer petroleum producers. Oil is running \$4 a barrel lower than last year's average, and with the seasonal spring lull in demand approaching there is little optimism about.

"Supplies are rising, demand is falling - it's as simple as that," said one London-based broker. "The bearish fundamentals are still bearish."

Precious metals had a mixed day with the price of gold and silver rising, while platinum and palladium

Gold was "fixed" yesterday afternoon at \$290 a troy ounce, against \$287.35 at the morning fix and \$252.50 on Thursday afternoon. The rise meant a gain of nearly \$13 on the week, during volatile trading.

The price of spot gold spiked to \$295 on fund shortcovering in New York, Traders said the US rise was sparked by the weakness of the dollar against the Japanese yen. Silver moved with gold, although more slowly. Prices ended the day at 584.5 a troy ounce against \$233.50 cents a troy ounce, against and \$243.50 respectively.

Oi	il .	
	ent Blend, 2-month fo per barrel) 6	nward
2	34	
2	2 🍇	
2		
3	" "MMA	
1	5 · · · · · · · · · · · · · · · ·	
1	4,	
		مينب
	1997	38
Sou	rot: Dalestream/ICV	
L	HE warehouse si	ocks*

again on Monday.

Prices for both metals had

EEKLY	PRICE	CHANG	ES
			-

	Latest	Change on week		199 High	7/98 Low
Gold per tray az	\$229.65	+10.10	\$365.20	\$369.65	\$279.56
Silver per tray az	361.30p	+6.30	285.50p	375,50p	253.30p
Alumnium 99.7% (cash)	\$1436.5	+28 5	S1580	\$1787.5	\$1410
Copper Grade A (cash)	\$1715.5	+75	\$2464.5	S2704	\$1640.50
Lead (cashi	\$528.5	-43.5	\$704.5	\$725.5	\$511
Nickel (cash)	\$5522.5	445	57255	\$8220	\$6522.5
Zinc SHG (cash)	\$1128.5	+59	\$1112	\$1763.5	31044
Tin (cash)	\$5165.5	-60.5	\$5895	\$6060	\$5165.5
Cocoa Futures Mar	21022	-26	2679	£1136	£847
Coffee Futures Jan	\$1810	+50	\$1385	S2470	\$1232
Sugar (LDP Raw)	\$271.40	-17.20	\$260.00	\$311,00	\$263,00
Barley Futures Jan	273.50	-0.75	290.25	296.50	273.50
Wheat Futures Jan	277.65	-2.00	€91.70	£102.20	275.50
Cotton Outlook A Index	71.20c	-1 45	79.20c	82.25c	71.20c
Wool (64s Super)	385p	+5	420p	448p	380p
Oil (Brent Blend)	\$15,385x	-0.395	\$22.85	\$24,95	\$15,385

Oil	
Brent Blend, 2-month ( (S per barrel)	ionward
20	<b>A</b>
16	1
1997 Source: Dalestream/ICV	38
LME warehouse :	stocks*

BASE METALS

LONDON METAL EXCHANGE M ALUMINIUM 69.7 PURITY IS per torne

1493.5-94

273,723 62,077

1328-31

5,263 239

519-20

5475-80

56,282 14,178

5155-65

5150-55

14,355 2,500

1104-04.5

74,588 19,986

1715-16 1687.5-8.5

₩ COPPER, grade A (S per tonne

IN LME AM Official \$75 rate: 1,8305 LME Closing \$75 rate: 1,8375

Spot 1.605 3 mes 1 630 6 mis 1.616 9 mis 1.616

76.30 -0.90 78.20 76.30 76.75 -0.75 78.50 76.70 77.25 -0.75 79.30 77.20

PRECIOUS METALS

287.90-288.30

287.35

287,00-267,40

359.80 361.00 360.30

W LONDON BULLION MARKET

E ALUMENTUM ALLOY IS per to

Glose Previous High/low AM Official

E LEAD (S per torme)

MICKEL IS per tonnel

TIN & per tons

Close Previous High/low AM Official Kerb close Open int. Total dely tur

E ZING, SO

1521-22 1506-07 1527/1496

1518-18.5

1355-60 1350-52 1367/1356 1355-56 1350-55

533-4 528-29 536/523 524-4.5

5200-05 5190-95 5210/5175

5170-75 5185-90

1152-53 1125-26 1164/1127

1127-28

1739.5-40.5 1714-15

1760/1717 1735-36 1717-18

	COLUMN	COMPANS.
Alumbrium	612,800	-50
Attenuium alloy	43,420	-60
Capper	340,550	-700
Lead .	111,550	-25
Nickel	65,880	-12
Zeric	487,575	-1,200
Tin	13,075	-130
	*7tur	atay's duse
its previous	London	close of
579 cents.		
Platinum	and pa	lladjum

prices fell in London after overnight losses in Asia. "Participants have realised that the market was overbought," said a broker. "Prices may fall by the limit

risen through the week on fears of another long delay in exports of palladium from Russia. This took palladium prices to an 18-year peak of \$248.50 a troy ounce early on Wednesday, while platinum prices rose by \$30 a troy ounce, or nearly 9 per cent, on Thursday to close in London at \$391.50.

Platinum yesterday fell to \$377 a troy ounce - against \$384.50 in the morning while palladium was at \$227

				Nev	N	SCAME	gn	6	7-70		41-	43
			Ċ									
.T	•			_		_	_	_		•	4.	

### COMMODITIES AND AGRICULTURE

M GC	DLD COM	IEX (10	00 Troy	oz.; \$	gray a	z.)
	Sett	Day's				Open
	price	بوسنه	<b>Elgh</b>	liber.	10	int
400	290.6	+4.7	-	-	-	-
Peb	291.1	+47			35.086	
Apr	2924	+4.7			8,088	
Jun .	294.2				1,815	
Ang	296.0	-				5,674
Oct	297.8	+4.7	300 5	300.5		3,167
Tetal					47,142	
Pt.	ATINUM	NYME	X (50 )	Troy or	.: \$/tro	y OZ.
Jan			325.0			
Apr			383.6		3,893	
Jet			383.6	372.0	31	651
Oct	3.695	-140	-	-	25	333
Total.						10,850
E PA	TTYDKI	4 NYM	EX (100	Tray o	2: S/b	oy azi
Mer	240.00	-9.00	2/0.00	240 00	910	3,465
Jan	234.50			234.50	18	632
Sup	231.50	-9.00	-	-	-	4
Total.					225	
M SIL	VER CO	EX (5,	900 Trey	oz; Q	mis av	(02)
	575 B	-25	590 0	580.0	400	488
Feb	576.6			-	1	2
Mar			200		14,772	
May	579.3				624	
Jul	5.0.3		58B.O	577,5		7,712
Sep	577.5	-3.9	_	-	1,527	
Total					18,385	12,535
ENE	ERGY					
E CR	UDE OR	. NYM	EX (1,0	00 ban	rels. S/	barrel)
	Latest		High	les.	Vol	Open
Feb	16.39				43.461	96,737

	RG\	L NYMI	EX (1,0	00 bar	mels. S	/barrel)
		Day's change	High	law	Vol	Opest
Feb	16.39	+0.05	16.55	16.32	43,461	56,737
Mar	16.57	+0.05	16.71	16,49	44,891	105.7k
Apr	15.77	+0.05	15.90	16.72	12,296	43,136
May	17.10	+0.08	17.15	16 95	4,335	28.552
Jane 1	17.23	+0.06	17.33	17.15	5.671	40,224
Jul	17.43	+0.08	17.49			17,680
Total					124,980	441,733
E CRI	DE O	LIPE	/barre	0		
		Day's cisange	Mgb	Law	Vol	Open lat
-		-				
Mar	15.36	+0.15	15.47	15.31		96.059
Apr	15.55	+0.16	15 62	15.49		25,548
May	15.74	+0.15	15.80	15.68		15,646
Jun	15.94	+0.08	16.00	15.88		20,025
300	16.11	+0 05	16 15	16.08	990	12,802
Ama	76.32	+0.08	-	-	-	5,302

<b>J</b>	15.94	+0.06	16.00	15.88	2,9/5	معترت
344	16.11	+0 85	16 15	16.08	890	12,802
Ama	76.32	+0.05	-	-	-	5,302
Tetal					12/2	pfa
H HE	ATING (	OIL IM	EX (42.0	00 US (	<b>*</b> 01	5 (26)
	Lefest	Day's				Оран
	price	change	<b>High</b>	DH	Vol	list
Feb	46.50	+0.27	45.75	46.10	12,344	51,214
Mar	47.00	+0.31	47.10	45.55	8,718	38,180
Apr	47.25	+0.26	47 30	46 90	2,021	18,202
May	47.55	+0.28	47.60	47.20	1,423	10,785
Jun	47.95	+0.38	48.00	47.70	1,596	15,525
Jul	48.45	+0.33	48.50	48.25	1,791	9,553
Total					31,099	176,831
Total	48.45 S OIL P			48.25		

is.					31,050	176,531
GA	S OIL F	E (S/ton	nel			
	Seg	Day's				Open
	price	بومحق	High	Low	Vel	int
	140.50	-0.25	141.50	140.25	6,437	28,373
	142.00	-0.25	143.00	142.00	2.253	14,220
	143.50	-0.25	144.50	143.50	968	10,274
	145.25	-0.25	146,00	145 50	1,249	4,847
1	147.25	-	146.00	147.25	1,013	11,942
	149.25	-	149.75	149.00	561	3,209
ď					17,758	96,200
NA	TURAL	GAS F	000,N 3	terms (	ence per	beni
,	14.230	+0.800	_	_	_	3,340
•	11.150	+0.200	_	_	-	1,850
					440	11,010

	Labor	Day's				Open
		charge	High	Low	Vol	int
	2170	+0.076	2180	2100	27.634	37,894
	2.145	+0.050	2.155	2.087	8,694	27,880
	2145	+0.051	2.150	2,100	3,018	13,747
	2.150	+0.045	2.155	2.120	1,174	11,096
	2.160	+0.038	2.175	2,140	936	10,873
	2.180	+0.037	2,180	2155	661	10.785
i					46,736	186,065

Total	2.190	TU,UGI	E-100	£ 100		186,065
	LEADE EX (42,1X			and a		
	_	Day's				Ореп
		change	High	LOW,	Vol	Int
Feb	50.35	-0.04	50.85	50.00	13,528	31,167
No.	50.85	-0.01	51.25	50.50	8,053	23,951
Apr	53.50	-0.06	53.65	53.25	2,602	16,591
May	53.70	-0.21	54.30	53.70	1,802	11,578
Jun .	54.05	+0.19	54.15	53.90	1,083	8,798
Jul .	53.90	+0.39	53.90	53.75	122	7.258
					_	

#### SOFTS Precious Metals continued GRAINS AND OIL SEEDS WHEAT LIFFE (100 tonnes; 2 per tornes) -0.45 77.80 77.50 -0.53 79.50 79.15 -0.50 81.80 81.15 -0.50 63.90 83.75

5,674	Sep	ED:50	-0.25	-	-	-	
3,167	Total					381	-
90,503	w w	HEAT CE	T (5,00	Thu m	rt, card	/GDb	
y OZ.)	Mar	33425	+0.50	337.50	332.00	14,15	52
86	May	343.00	+1.25	345.50	340.50	3,190	15
9.831	34	351.50	+0.50	354.50	347.25	3.025	21.
651	San	356.50					
333	Dec	368.50	+0.25	371.00	367.00	595	3
10,995	34	370.00	_	-	-	25	
y oz.)	Total			_		21,826	35
_	H M	WZE CE	F (5.000	) besoni		SEE b	راجا
3,466			-			_	_
632	Mar	277.00					
4	Pay	283.75					
4,101	34	289.00					
oz)	Step	282.75	-0.50	265.25	262.50	624	8,
	Dec	252.75	-9.75	284.25	282.00	5,495	37,
488	Mar	268.75	-0.75	290.00	20.75	207	1.
2	Total					N.SEI	
57,456	- BA	RLEY U	tee e	00	P		
8,451	-	ALEI U	11241	40 ID	100, T.	- 101	
7,712	Jac	73.50	-	-	-	-	
3.098	Mar	75.00	-	75.29	75.80	40	14

2,430		4 -1490	-	P-04-448	4 10.000	76	4-7
12,536	May	76.25		-	-	-	
	Sep	77.65	-	-	_	-	
	Hav	79.65	-	79.90	79.55	18	
	Total					-	1,
	H 30	YABEA	NS CEI	(5,000b	nin; o	mis 606	003
carrel)	.bm	667.00	-0.25	673.50	664.50	853	1.
-	Mar	664.00					
Open	May	668.00					
int	Jul	670.50	-300	680.00	689.00	4.579	28.
36,737	ADQ	889.00					
105.7k	See	658.00					
43,136	Total	***************************************				49.231	
28.552 40.224	# SC	YABEA	N OIL	CBT (S	0,0000	ost cient	
17,680	Jan	24.55	+0.07	24,65	2445	:,732	3/
41,733	Mar	24.85	+0.02	24.97	24.75	11.783	50.
	75-	20 10				4 785	

ADG	889.00	-3.50	PARTIE	0000 000	202	4,00
See	658.00	-3.00	563.50	658.00	195	45
Total					48.231	
	YABEA			~ ~~		
= 50	TABLE	N CAL	CO I FO	Chick	as, cast	S (C)
Jan					: 732	
Mar	24.85	+0.02	24.97	24.75	11.783	56.83
May	25.18	_	25.28	25.06	1,705	19,92
Jai	25.40	+0.05	25.47	25	1,787	15,44
Ang	25.35	+0.05	25.27	25	36	4,34
Seg	25.27	+9.07	25.20	25.15	112	1,690
Total					47 (770)	10431
					na gue a	-
	YABEA	N IMEA	L CST	(100 t	-	
	YABEAI	-	L CBT	•	Dras. \$1	ioni
E 50		-12	200.7	196.7	-	4,99
im So	1973	-12 -12	200.7 197.8	196.7 193.5	5,018	4,99 46,740
ME SO	197.3 194.2	-12 -12 -14	200.7 197.8 196.1	196.7 193.5 192.3	5,018 13,443	4,99 46,740 27,070
Jan Mar May Jai	197.3 194.2 193.0	-1.2 -1.2 -1.4 -1.7	200.7 197.8 196.1	198.7 193.5 192.3 194.0	5,018 13,443 3,740	4,997 46,747 27,077 18,657
Jan Mar May Jel Any	197.3 194.2 193.0 194.6	-1.2 -1.2 -1.4 -1.7	200.7 197.8 196.1 197.6 198.0	198.7 193.5 192.3 194.0 195.5	5018 13,443 3,740 1,559 273	4,997 46,747 27,077 18,657
Jan Mar May Jai	197.3 194.2 193.0 194.6 195.5	-1.2 -1.2 -1.4 -1.7 -1.6	200.7 197.8 196.1 197.6 198.0	198.7 193.5 192.3 194.0 195.5	5018 13,443 3,740 1,559 273	4,997 46,747 27,077 18,657 7,045 4,987

-	2000	-8-4	2 100	0.077/00	-	1000	
Any	195.6	-1.6	198.0	195.5	273	7,045	
Sep	195.0	-20	199.5	195.0	462	4.567	
Total					25,818	114,844	
E PO	TATOES	LIFFE	(20 to	nnes; 9	per to	anne)	
Max	53.0	_		_	_		
Apr	105.0	-0.5	109.0	105.5	12	1,083	
May	116.0	-0.5	-	-	-	67	
Jan	126.0	-0.5	-	-	-	-	
Nov	540	-	-	-	-	3	
Total -					12	1,193	
E PRE	BOHT (E	HFEX	LIFFE	(\$10%	ndex p	ojno)	
	1131	4	1135	1139	80	350	
Feb	1125	+5	1125	1120	24	227	
STATE OF THE PARTY	3160	-10	1170	1159	12	794	
Apr	1185	-10	1195	1185	34	506	

þ	1125	+5	1125	1120	24	223
	1160	-10	1170	1159	12	7.94
F	1185	-10	1195	1185	34	506
1	1060	-10	-	-	-	134
					154	1,770
	Close	TEV				
1	1175	1191				
UI	P A	D	PAP	ER		
PU	LPEX OF	WLX IL	ISS; 24	air dry	tors)	

-		MITTER IF	A04, E		i municipal	
	Sett	Day's				Open
	price	change	High	Low	Yol	let
	477.00	-3.00	430,90	475.00	63	442
	500.00	-4.00	501.00	498.50	57	415
ı					125	877

### FUTURES DATA All futures data supplied by CMS.

Spices from Man Production
The black peoper market was extremely
depressed this week, Prices continued to
decline, meinly in India and Vietnam. The
approaching new crops in these countries
put prices under pressure while the crass
in Asia had a negative effect on activity.
Spot Europe black pepper remains tight at
about \$4,200 a tonne, with later delivery
positions some 10 per cent to 15 per cent
lower. White pepper prices remained rele-
tively steady at about \$7,750 a tonne, spot
Rotterdam, with very little or no buying.
The spread between white and black is
exceptionally wide, reflecting the very diffi-

E CO	COA (IC	CO1 (S	DR's/hr	anne)	-	210.00	
Jan. 15		,		ice	_,	100. 400	-
Daily _			_ 1223	US .		1216.99	
	FFEE U	E S		; \$/lon	<b>m</b> )		
See	1610	-	1625	.1809	, 501	2,625 25,456	
Mar	1725 1702		1754	7700	150	. 9,792	
1	1682	-28	1715	1680	140	2016	
Hay Jai Sap Hay	1672 1667	-29 -34	1705 1694	1895 - 1894	59	847 48	
Total	,	-454	****			40,782	
E CO	TE C	CSCE	(37.50	00bs; c	ents/	(30	
Mar	167.05	-1.15	169.35	165.50	7,285	16,201	
Mary				154,50			
Sep	149.50	-0.75	151.00	148.00	202	1,854	
Dec	143.45	-1.30	145.25	142.50 140.50	124	1,720	
Total	PARTIC	-4.13	PACIN	146.20	8,875	29,400	
M CO	THE (IC	O) (US	cents				
Jan 15			-	-	. P	rest. dary	
Comp. d			130	19 .70 -		128.16	
	meage TTE SUG	ARIS			E SA		
Mar	298.0	+1.7	298.0			21,489	
May	302.0	+1.0	302.0	299.9		10,571	
Aug	304.5	+0.5	304.5	302.5	189		
Dec	299.5 301.5	+0.5 -1.0	299.5 302.0	297.5 301.5	84 18	5,432	
Total					1,177	43,316	
E SUG	AR '11'	CSCE	(112,0	00ite;	cents	ibs)	
Mar	11.20	+0.03	11.30	11.123	9,973	88,013	
Mey	11.05	+0.03	11.16	11.021	2,404 4 pps	42,933 26,437	
Oct	10.96	+0.02	11.02	10.91	265	33,766	
Mar		+0.06	11.00	10.91		7,720	
Nizy Total	10.97	<b>+0.06</b>	10 94		52 NJ363	1,571	
	TON NO	rCE (50	0,000tb			4	
Mar	68.18	_	66.20	65.85	_	37,526	
May	67.59	+0.22	67.60	57.32	1,256	15,476	
Jed Oct	59.98 70.70	+0.17	68.95 70.70	69.70 70.70		15,576 1,673	
Dec	71.81	+0.03	71.65	71.70	567	15.388	
No.	72.63	+0.05	72.92	72.75	71	644	
Total	MGE JU	nce w	VCS (41			\$7,280 edited	
-		_				_	
Mar May	94.35	-275 -0.15		93.50 96.35			1
Jed.	39.75	-0.40	101.25	99 00	723	4,505	
Ses	102.50					2,073	
How Jan	104.75 107.00					1,947 596	
Total						37,847	1
							-
							-
							,
		•					
VOL	IME DA	TA					1
Open	interest	and V	olume	data s	hown	for	
CONTR	interest acts trad , CME.	CSCE	COME	K NYM	EX, C	BT,	
one d	bay in an	BARS. V	chane	& Ope	n inte	rest	i

NDICE Reuters		9/31 = 100)	
		month ago 1760.3	year ago 1924.2
CRB Fu	bres (Base	a: 1967 = 100)	
Jan 15 228.52 GSCI S;	226,91	month ago 1970 = 100)	hest são

Jan 15 Jan 14 month age 169.64 169.81 179.81

CE (10 tonnes: S/tonnes)	E LEAN HOOS CME (40,000lbs: conta/ba)
+14 1557 1534 4,236 32,988	Feb 56.250 -0.250 56.925 56.200 4.841 20.856 Apr 55.300 -0.450 55.850 55.250 2.562 12.824
+13 1593 1573 1,315 24,431 +13 1622 1614 172 6,083	Apr 55,300 -0.450 55,850 55,250 2,360 12,824
	2.800 -0.800 62.800 62.750 1.188 8.678 62.675 -0.726 62.700 82.750 1.758 8.678 62.675 -0.726 62.700 82.750 75 82.800 62.675 62.700 82.750 75 82.800 62.675 -0.726 62.700 62.750 75 82.800 62.800 67 67 62.800 62.800 67 67 62.800 62.800 67 67 62.800 62.800 67 67 62.800 62.800 67 67 62.800 62.800 67 67 62.800 62.800 67 67 62.800 62.800 67 67 62.800 62.800 67 62.800 62.800 67 62.800 62.800 67 62.800 62.800 67 62.800 62.800 67 62.800 62.800 67 62.800 62.800 67 62.800 62.800 67 62.800 62.800 62.800 67 62.800
+13 1650 1675 76 8,684 +13 1681 1675 76 8,684 +13 1700 1707 85 9,355	Ang -60.850 -0.700 61.850 60.800 79 1856
+13 1700 1707 85 9,355 8,862 91,741	[M20]
Price Pres. day	91 PORIS BELLIES CME (40,0000bc censis/be) Fib 47,000+0,259 48,750 48,350 1,891 4,925 Fib 45,650+0,250 47,850 45,160 594 1,765 Fiber 47,125 -0,375 48,400 48,960 160 -1 382
1273.02 1216.99	46,650 +0.250 47,850 46,100 594 17,763 Many 47,125 -0.375 48,400 46,800 160 +1,558
TE D TOTAL STORES	Jel 48.500 +0.250 43.550 47.750 123 778 402 45.225 -0.325 46.500 45.225 86 786
- 1625 1800 507 2,625 -22 1754 1722 2,288 25,456	Ang 45.225 -0.525 46.500 45.225 - R. 166
-24 1732 1700 851 9,792	Total 2,63 1,985
-29 1715 1890 15D 2.016	LONDON TRADED OPTIONS
-29 1705 1885 59 847 -34 1694 1894 2 46	Strike price \$ torses — Calls — — Puts
2,931 40,782	The second secon
CSCE (37.500ths; cents/fbs)	(99,7%) LME . Reb. May . Reb. May
-1.15 169.35 165.50 7,285 16,201	99.7%) LME Feb May Feb May 1475 31 71 22 47 1500 19 59 35 60
-1.50 163.50 160.00 1,605 6,348 -1.10 158.00 154.50 429 3,124	1500 19 59 50 19 19 19 19 19 19 19 19 19 19 19 19 19
-0.75 151.00 148.00 202 1.654	# COPPER
-0.75 151.00 148.00 202 1,854 -1.30 145.25 142.50 124 1,725 -0.15 149.50 140.50 30 332	COPPER   Feb May Feb May   1700   38 90 35 62 1750   18 96 64 94 190   8 47 103 138
-0.15 149.50 140.50 30 332 9,875 29,408	1700 38 90 35 63
O) (US cents/pound)	1800 8 47 103 149
- Pres. day	m construct the law law law law
130.19 128.16 	1700 3 77 45 52 1730 - 54 32 73 - 58 142 113
	1750 54 52 78
AR LIFFE (50 tormes; \$/tonne)	B COCOA LIFFE Mer May Mer May
+1.7 298.0 296.1 2,070 21,469	1000 39 71 17 24
+1.0 3020 299.9 831 10,571 +0.6 304.5 302.5 199 5,108	1000 39 71 17 24 1025 26 56 29 34 1050 18 44 48 47
+0.6 289.5 297.5 84 5,432	BRENT CRUDE
-1.0 302.0 301.5 18 247 1,177 43,316	IPE Mar Apr Mar Apr
CSCE (112,000lbs; cents/lbs)	1500 38
	1550 45 73 - 71 1600 29 50
+0.03 11.30 11.1239,973 88,013 +0.01 11.16 11.0212,404 42,933	1000
+0.03 11.02 10.90 4,096 28,437	LONDON SPOT MARKETS
+0.02 11.02 10.91 2.683 33,788 +0.06 11.06 10.91 1.047 7,720	# CRUDE OIL FOB (per berrel) +or-
+0.05 10.94 10.92 52 1.571	
60,363 205,788	Dubel \$13.51-3.35x -0.15
CE (50,000ths; centa/ibs)	Brent Bland (Mar) \$15.37-5.40 +0.05
/CE (50,000ths; centa/its) +0.21 66.20 85.85 3.491 37.526	Brent Blend (dated) \$14.81-4.87. Brent Blend (Mar) \$15.37-5.40 +0.05 W.T.I. \$16.52-6.54x
/CE (50,000ths; centa/lbs) +0.21 66.20 65.85 3.491 37,526 +0.22 67.60 67,32 1,266 15,476	M OIL PRODUCTS NWE prompt delivery CF fluxes
/CE (50,000ths; centa/bs) +0.21 66.20 65.85 3.491 37.526 +0.32 67.60 57.32 1,266 15,476 +0.17 68.95 68.70 1,055 15.576 +0.05 70.70 70.70 87 1,673	E OIL PRODUCTS NVE prompt delivery CF fluxes
/CE (50,000ths; centa/bs)  +0.21 66.20 65.85 3.491 37,526 +0.22 67.80 67.32 1,266 15,476 +0.17 68.95 68.70 1,055 15,676 +0.05 70.70 70,70 87 1,673 +0.03 71,85 71,70 587 18,386	Promium Gesoline \$171-173
**CE (50,000ths; centa/lbs)  +0.21 66.20 85.85 3.491 37.526  +0.22 67.60 57.32 1,266 15,476  +0.17 68.95 68.70 1,055 15,576  +0.05 70.70 70.70 87 1,673  +0.03 71.85 71.70 587 18,386  +0.03 77.95 77.70 587 18,386	Promium Gesoline \$171-173
/CE (50,000ths; centa/bs)  +0.21 66.20 65.85 3.491 37,526 +0.22 67.80 67.32 1,266 15,476 +0.17 68.95 68.70 1,055 15,676 +0.05 70.70 70,70 87 1,673 +0.03 71,85 71,70 587 18,386	Premium Gesofine \$177-173 Gas Oi \$141-142 Heavy Fuel Oi \$70-72 Naphtha \$153-154 Jet flust \$160-161 -0.5
**CE (50,000ths; centa/bs)  +0.21 66.20 85.85 3.491 37.526  +0.22 67.60 57.32 1,266 15,476  +0.17 68.95 68.70 1,055 15,576  +0.05 70.70 70.70 87 1,673  +0.03 71.95 71.70 587 18,386  +0.05 72.92 72.75 71 644  8,702 67,280	## OIL PRODUCTS NWE prompt delivery CF fluxes)  Premium Gesofine \$171-173 Gas; Oi \$141-142 Heavy Fuel Oil \$70-72 Naphtha \$153-154 Jet fluel \$160-161 -0.5 Diesel \$146-147 -0.5
**CE (50,000ths; centa/bs)  +0.21 66.20 65.85 3.491 37,526 +0.22 67.80 67.32 1,286 15,476 +0.17 68.95 68.70 1,955 15,876 +0.05 70.70 70.70 87 1,573 +0.03 71.95 71.70 587 18,386 +0.05 72.92 72.75 71 644 8,702 77.20  RCE NYCE (15,000ths; cents/bs) -0.15 88.70 96.33 1,553 6.676	## Oil PRODUCTS NWE groupt delivery CF (suses)  Premium Gesofine \$171-173 Gas Di \$141-142 Heavy Fuel Oil \$70-72 Nephtha \$153-154 Jet fusl \$160-161 -0.5 Diesel \$148-147 -0.5 ## NATURAL GAS (Pence/therm)
### (CE (S0,000ths; centar/bs)  #0.21 66.20 65.85 3.491 37.526  #0.22 67.80 67.32 1,266 15.476  #0.17 68.95 68.70 1,055 15.676  #0.05 70.70 70.70 87 1,573  #0.05 70.90 71.70 87 18,386  #0.05 72.92 72.75 71 644  #,702 67.380  ###################################	## OIL PRODUCTS NWE prompt delivery CF (trans)  Premium Gesofine \$171-173 Ges Oil \$141-142 Heavy Fuel Oil \$70-72 Naphtha \$153-154 Jet fuel \$160-161 -0.5 Diesel \$146-147 -0.5 ## NATURAL GAS (Pence/therm)  Bacton (Feb) 1425-1435 +0.10
**CE (50,000ths; centa/bs)  +0.21 66.20 65.85 3.491 37,526 +0.22 67.80 67.32 1,286 15,476 +0.17 68.95 68.70 1,955 15,876 +0.05 70.70 70.70 87 1,573 +0.03 71.95 71.70 587 18,386 +0.05 72.92 72.75 71 644 8,702 77.20  RCE NYCE (15,000ths; cents/bs) -0.15 88.70 96.33 1,553 6.676	## OIL PRODUCTS NWE prompt delivery CF (same)  Premium Gesofine \$171-173  Gas Di \$141-142  Heavy Fuel Di \$70-72  Naphtha \$153-154  Jet fuel \$160-161 0.5  Diesel \$146-147 0.5  ## NATURAL GAS (Pence/therm)  Bacton (Feb) 14.26-14.35 +0.10  Petroleum Argus. Tel. London (0171) 359 6782
### (CE (S0,000ths; centa/lbs)  #0.21 66.20 65.85 3.491 37,526 40.22 67.80 67.32 1,286 15,476 40.17 68.95 68.70 1,985 15,878 40.03 70.70 70.70 587 18,386 40.03 72.92 72.75 71 644 8,702 77.30 80CE NYCE (15,000ths; centa/lbs) 64.01 67.01 68.50 15.00 20,968 6.04 60 101.25 99.00 723 4,505 6.04 101.25 103.00 25 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 105.50 105.50 132 1,975 6.05 105.50 105.50 132 1,975 6.05 105.50 105.50 132 5,96 56 6.04 6.05 106.50 10	Premium Gesofine \$171-173 Gas Di \$141-142 Heavy Fuel Di \$70-72 Nephtha \$153-154 Jet fuel \$160-161 -0.5 Diesel \$146-147 -0.5 II NATURAL GAS (Pence/therm) Bacton (Feb) 14.25-14.35 +0.10 Petroleum Argum. Tel. London (0171) 359 8782
**CE (\$0.0008a; centa/bs)**  +0.21 66.20 65.85 3.491 37.526 +0.22 67.60 67.32 1,256 15,476 +0.17 68.95 68.70 1,055 15,676 +0.05 70.70 70.70 87 1,673 +0.05 70.95 71.70 87 1,673 +0.05 70.95 71.70 87 15,385 +0.65 72.92 72.75 71 644 87.05 72.92 72.75 71 644 87.05 72.95 72.95 72.75 72.75 95.50 82.50 80.69 20.968 -0.15 80.70 96.35 15.53 6.676 -0.40 101.25 99.00 723 4,505 -0.65 104.25 105.00 25 2,073 -0.65 104.50 105.00 132 1,947	## Oil PRODUCTS NWS prompt delivery CF fusions  Premium Gescline \$171-173 Gas Oil \$141-142 Heavy Fuel Oil \$70-72 Naphtha \$153-154 Jet fuel \$190-161 -0.5 Diesel \$146-147 -0.5 ## NATURAL GAS (Pence/therm)  Bacton (Feb) 14.28-14.35 +0.10 Petroleum Argus. Tel. London (0171) 359 8782. ## OTHER  Gold (per troy code \$288.65 +5.30
### (CE (S0,000ths; centa/lbs)  #0.21 66.20 65.85 3.491 37,526 40.22 67.80 67.32 1,286 15,476 40.17 68.95 68.70 1,985 15,878 40.03 70.70 70.70 587 18,386 40.03 72.92 72.75 71 644 8,702 77.30 80CE NYCE (15,000ths; centa/lbs) 64.01 67.01 68.50 15.00 20,968 6.04 60 101.25 99.00 723 4,505 6.04 101.25 103.00 25 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 105.50 105.50 132 1,975 6.05 105.50 105.50 132 1,975 6.05 105.50 105.50 132 5,96 56 6.04 6.05 106.50 10	## OIL PRODUCTS NWE groupt delivery CF fluxesh  Premium Gescline \$171-173 Gas Di \$141-142 Heavy Fuel Di \$70-72 Naphtha \$153-154 Jet fluxi \$160-161 -0.5 Diesel \$148-147 -0.5 ## NATURAL GAS (Pencetherm)  Bacton (Feb) 14.25-14.35 +0.10 Petroleum Argus. Tel. London (0171) 359 8782 ## OTHER  Gold (per troy ca)\$ \$289.65 +5.30 Silver (per troy ca)\$ \$89.25c +5.25 Platinum (per troy ca)\$ \$376.00 -5.50
### (CE (S0,000ths; centa/lbs)  #0.21 66.20 65.85 3.491 37,526 40.22 67.80 67.32 1,286 15,476 40.17 68.95 68.70 1,985 15,878 40.03 70.70 70.70 587 18,386 40.03 72.92 72.75 71 644 8,702 77.30 80CE NYCE (15,000ths; centa/lbs) 64.01 67.01 68.50 15.00 20,968 6.04 60 101.25 99.00 723 4,505 6.04 101.25 103.00 25 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 105.50 105.50 132 1,975 6.05 105.50 105.50 132 1,975 6.05 105.50 105.50 132 5,96 56 6.04 6.05 106.50 10	## OIL PRODUCTS NWE groupt delivery CF fluxesh  Premium Gesofine \$1771-173  Gas Di \$141-142  Heavy Fuel Oil \$70-72  Nephtha \$153-154  Jet fusl \$160-161 -0.5  Diesel \$148-147 -0.5  ## NATURAL GAS (Pence/therm)  Bacton (Feb) 14.25-14.35 +0.10  Patroleum Argun. Tal. London (0171) 339 8782  ## OTHER  Gold (per troy czylii \$289.85 +5.30  Silver (per troy czylii \$299.85 +6.30  Palisedium (per troy cz.) \$379.00 -5.50  Palisedium (per troy cz.) \$227.00 -19.00
### (CE (S0,000ths; centa/lbs)  #0.21 66.20 65.85 3.491 37,526 40.22 67.80 67.32 1,286 15,476 40.17 68.95 68.70 1,985 15,878 40.03 70.70 70.70 587 18,386 40.03 72.92 72.75 71 644 8,702 77.30 80CE NYCE (15,000ths; centa/lbs) 64.01 67.01 68.50 15.00 20,968 6.04 60 101.25 99.00 723 4,505 6.04 101.25 103.00 25 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 105.50 105.50 132 1,975 6.05 105.50 105.50 132 1,975 6.05 105.50 105.50 132 5,96 56 6.04 6.05 106.50 10	## Oil PRODUCTS NWE groupt delivery CF fluxesh  Premium Gesofine \$1771-173  Gas Di \$141-142  Heavy Fuel Di \$70-72  Naphtha \$153-154  Jet fluxi \$160-161 -0.5  Diesel \$148-147 -0.5  ## NATURAL GAS (Pence/therm)  Bacton (Feb) 14.25-14.35 +0.10  Petrolum Argus. Tel. Lordon (0171) 398 #782  ## OTHER  Gold (per troy costs \$288.65 +6.30  Silver (per troy costs \$289.65 +6.30  Paledium (per troy costs \$277.00 -10.00  Copper 83.00 41.0  Lead & S. prod.) 45.006
### (CE (S0,000ths; centa/lbs)  #0.21 66.20 65.85 3.491 37,526 40.22 67.80 67.32 1,286 15,476 40.17 68.95 68.70 1,985 15,878 40.03 70.70 70.70 587 18,386 40.03 72.92 72.75 71 644 8,702 77.30 80CE NYCE (15,000ths; centa/lbs) 64.01 67.01 68.50 15.00 20,968 6.04 60 101.25 99.00 723 4,505 6.04 101.25 103.00 25 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 105.50 105.50 132 1,975 6.05 105.50 105.50 132 1,975 6.05 105.50 105.50 132 5,96 56 6.04 6.05 106.50 10	## OIL PRODUCTS NWE groupt delivery CF florest  Premium Gescline \$171-173 Gas Di \$141-142 Heavy Fuel Di \$70-72 Naphtha \$153-154 Jet fuel \$160-161 -0.5 Diesel \$148-147 -0.5 ## NATURAL GAS (Pence/therm)  Bacton (Feb) 14-25-14-35 +0.10 Petroleum Argum. Tel. Loreon (0171) 359 8782 ## OTHER  Gold (per troy co)\$ \$259.65 +5.30 Silver (per troy co)\$ \$99.25c +8.25 Puthum (per troy cc)\$ \$376.00 -5.50 Paledium (per troy cc) \$277.00 -10.00 Copper 83.0c +1.0 Lead (US prod.) 45.00c Tin (Kupia Lumpur) 21.52r +0.24
### (CE (S0,000ths; centa/lbs)  #0.21 66.20 65.85 3.491 37,526 40.22 67.80 67.32 1,286 15,476 40.17 68.95 68.70 1,985 15,878 40.03 70.70 70.70 587 18,386 40.03 72.92 72.75 71 644 8,702 77.30 80CE NYCE (15,000ths; centa/lbs) 64.01 67.01 68.50 15.00 20,968 6.04 60 101.25 99.00 723 4,505 6.04 101.25 103.00 25 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 104.25 105.00 23 2,073 6.05 105.50 105.50 132 1,975 6.05 105.50 105.50 132 1,975 6.05 105.50 105.50 132 5,96 56 6.04 6.05 106.50 10	Cil. PRODUCTS NWE prompt delivery CF formers
### (CE (S0,000 this; centar/bs)  #0.21 66.20 55.85 3.491 37,526  #0.22 57.90 57.32 1,256 15,476  #0.17 68.95 68.70 1,055 15,575  #0.05 70.70 70.70 87 1,573  #0.03 71.85 71.70 587 15,386  #0.05 72.92 72.75 7 7 7 72.80  ###################################	## Oil PRODUCTS NWE prompt delivery CF formers  Premium Gescline \$171-173 Gas Oil \$141-142 Heavy Fuel Oil \$70-72 Naphtha \$153-154 Jet fuel \$190-161 -0.5 Diesel \$146-147 -0.5 ## NATURAL GAS (Pencertherm)  Bacton (Feb) 14.25-14.35 +0.10 Petroleum Argun. Tel. London (0171) 359 8782 ## OTHER  Gold (per troy capil \$259.85 +5.30 Silver (per troy capil \$299.85 +5.30 Silver (per troy capil \$299.85 -5.50 Palisotium (per troy capil \$277.00 -10.00 Copper 83.0c +1.0 Lead (US prod.) 45.00c The (fuels Lumpur) 21.52+ 10.24 Tre (fuelw Yorld) 24.5.5 -3.0 Cattle (five weight) 88.25p -3.85
**CE (S0,000ths; centar/bs)**  +0.21 66.20 55.85 3.491 37,526 +0.22 57.80 57.32 1,286 15,476 +0.17 68.95 68.70 1,055 15,575 +0.05 70.70 70.70 57 1,573 +0.03 71.85 71.70 587 18,386 +0.05 72.92 72.75 71 644 6,702 72.92 72.75 71 644 6,702 72.92 72.75 71 644 6,702 72.92 72.75 71 644 6,702 72.92 72.75 71 644 6,702 72.92 72.75 71 644 6,702 72.92 72.75 71 644 6,702 72.92 72.75 71 644 6,702 72.92 72.75 71 644 6,702 72.92 72.75 71 644 6,702 72.92 72.75 71 644 6,702 72.92 72.75 7	Cil. PRODUCTS NWE prompt delivery CF formers
**CE (\$0,000Bas; centar/bs)**  +0.21 66.20 65.85 3.491 37,526 +0.22 67.80 57.32 1,286 15,476 +0.17 68.95 68.70 1,055 15,576 +0.05 70.70 70.70 87 1,573 +0.05 70.70 70.70 87 1,573 +0.05 72.92 72.75 71 644 57.20 27,285 72.75 71 644 57.20 27,285 68.70 96.35 1,553 6.576 -0.40 101.25 98.00 723 4,505 -0.46 101.25 98.00 723 4,505 -0.65 106.50 105.50 132 1,947 -1.30 108.50 108.50 108.50 9 566 108.50 108.50 108.50 108.50 37,847	Cil. PRODUCTS NWE prompt delivery CF formers
**CE (\$0.000ths; centar/lbs)**  **0.21 66.20 56.85 3.491 37,526 4-0.22 67.80 57.32 1,286 15,476 4-0.17 68.95 68.70 1,055 15,575 4-0.05 70.70 70.70 57 1,573 4-0.05 70.70 70.70 57 15,386 4-0.65 72.92 72.75 71 644 6,702 72.92 72.75 71 644 6,702 72.92 72.75 71 644 6,702 72.92 72.75 71 644 6,702 72.92 72.75 71 644 6,702 72.92 72.75 71 644 6,702 72.92 72.75 71 644 6,702 72.92 72.75 72.75 72.75 72.75	Cil. PRODUCTS NWE prompt delivery CF formers
### (CE (S0,000fbs; centar/bs) #0.21 66.20 65.85 3.491 37.526 #0.22 67.90 67.32 1,265 15.476 #0.17 68.95 68.70 1,265 15.476 #0.05 70.70 70.70 87 1,673 #0.03 71.95 71.70 587 15.386 #0.03 71.95 71.70 587 15.386 #0.03 71.95 71.70 587 15.386 #0.03 71.95 71.70 587 15.386 #0.03 71.95 71.70 587 15.386 #0.03 71.95 71.70 587 15.386 #0.03 71.95 71.70 587 15.386 #0.03 71.95 71.95 97.96 #0.03 80.70 93.50 8.089 20.968 #0.15 90.70 93.50 8.089 20.968 #0.15 90.70 93.50 8.089 20.968 #0.40 101.25 99.00 723 4.505 #0.40 101	Cil. PRODUCTS NWE prompt delivery CF formers
**CE (\$0.000ths; centar/lbs)**  **0.21 66.20 56.85 3.491 37,526 4-0.22 67.80 57.32 1,286 15,476 4-0.17 68.95 68.70 1,055 15,575 4-0.05 70.70 70.70 57 1,573 4-0.05 70.70 70.70 57 15,386 4-0.65 72.92 72.75 71 644 6,702 72.92 72.75 71 644 6,702 72.92 72.75 71 644 6,702 72.92 72.75 71 644 6,702 72.92 72.75 71 644 6,702 72.92 72.75 71 644 6,702 72.92 72.75 71 644 6,702 72.92 72.75 72.75 72.75 72.75	Coll PRODUCTS NWE prompt delivery CF formers
### (CE (S0,000fbs; centar/bs) #0.21 66.20 65.85 3.491 37.526 #0.22 67.90 67.32 1,265 15.476 #0.17 68.95 68.70 1,265 15.476 #0.05 70.70 70.70 87 1,673 #0.03 71.95 71.70 587 15.386 #0.03 71.95 71.70 587 15.386 #0.03 71.95 71.70 587 15.386 #0.03 71.95 71.70 587 15.386 #0.03 71.95 71.70 587 15.386 #0.03 71.95 71.70 587 15.386 #0.03 71.95 71.70 587 15.386 #0.03 71.95 71.95 97.96 #0.03 80.70 93.50 8.089 20.968 #0.15 90.70 93.50 8.089 20.968 #0.15 90.70 93.50 8.089 20.968 #0.40 101.25 99.00 723 4.505 #0.40 101	Coll PRODUCTS NWE prompt delivery CF formers
### (CE (S0,000fbs; centar/bs) #0.21 66.20 65.85 3.491 37.526 #0.22 67.90 67.32 1,265 15.476 #0.17 68.95 68.70 1,265 15.476 #0.05 70.70 70.70 87 1,673 #0.03 71.95 71.70 587 15.386 #0.03 71.95 71.70 587 15.386 #0.03 71.95 71.70 587 15.386 #0.03 71.95 71.70 587 15.386 #0.03 71.95 71.70 587 15.386 #0.03 71.95 71.70 587 15.386 #0.03 71.95 71.70 587 15.386 #0.03 71.95 71.95 97.96 #0.03 80.70 93.50 8.089 20.968 #0.15 90.70 93.50 8.089 20.968 #0.15 90.70 93.50 8.089 20.968 #0.40 101.25 99.00 723 4.505 #0.40 101	Coll PRODUCTS NWE proopt delivery CF forms
### CE (S0,000ths; centar/bs)  #0.21 66.20 55.85 3.491 37,526  #0.22 67.80 57.32 1,256 15,476  #0.17 68.95 68,70 1,055 15,575  #0.05 70.70 70.70 57 1,573  #0.03 71.85 71.70 587 18,386  #0.05 72.92 72.75 71 644  #### CE NYCE (15,000ths; centar/bs)  ##### CE NYCE (15,000ths; centar/bs)  ##### CE NYCE (15,000ths; centar/bs)  ##### CE NYCE (15,000ths; centar/bs)  ######## CE NYCE (15,000ths; centar/bs)  ###################################	Coll PRODUCTS NWE prompt delivery CF formers
### PACE (\$0.000fbs; centar/bs)  #0.21 66.20 55.85 3.491 37.526  #0.22 67.90 57.32 1,256 15,476  #0.17 68.55 68.70 1,055 15,575  #0.05 70.70 70.70 87 1,673  #0.03 71.85 71.70 587 15,386  #0.03 71.95 71.70 587 15,386  #0.03 71.95 71.70 587 15,386  #0.03 71.95 71.70 587 15,386  #0.03 71.95 71.70 57 71,388  #0.03 71.95 71.70 57 16,388  #0.03 71.95 71.70 57 16,388  #0.03 71.95 71.70 57 16,388  #0.03 71.95 71.70 587 15,386  #0.03 71.95 71.95 71 644  #0.02 87.95 80.00 20,968  #0.04 101.25 99.30 723 4,505  #0.40 101.25 99.30 723 4,505  #0.40 101.25 99.30 723 4,505  #0.40 101.25 105.00 132 1,977  #0.40 101.25 105.00 132 1,977  #0.813 37,847   TA  ################################	Coll PRODUCTS NWE prompt delivery CF names
### PACE (\$0.000fbs; centar/bs)  ### PACE (\$0.000fbs; centar/bs)  #### PACE (\$0.000fbs; centar/bs)  ##### PACE (\$0.000fbs; centar/bs)  ####### PACE (\$0.000fbs; centar/bs)  ###### PACE (\$0.000fbs; centar/bs)  ###### PACE (\$0.000fbs; cent	Coll PRODUCTS NWE prompt delivery CF formers
### PACE (\$0.000fbs; centar/bs)  ### PACE (\$0.000fbs; centar/bs)  #### PAC	Coll PRODUCTS NWE prompt delivery CF names
### PACE (\$0.000fbs; centar/bs)  ### PACE (\$0.000fbs; centar/bs)  #### PACE (\$0.000fbs; centar/bs)  ##### PACE (\$0.000fbs; centar/bs)  ####### PACE (\$0.000fbs; centar/bs)  ###### PACE (\$0.000fbs; centar/bs)  ###### PACE (\$0.000fbs; cent	Premium Gescline   \$171-173
### CE (S0,000ths; centar/bs)  #0.21 66.20 55.85 3.491 37,526  #0.22 67.80 57.32 1,256 15,476  #0.17 68.95 68.70 1,055 15,575  #0.05 70.70 70.70 57 1,573  #0.03 71.85 71.70 587 18,386  #0.05 72.92 72.75 71 644  #### CE NYCE (15,000ths; centar/bs)  ##### CE NYCE (15,000ths; centar/bs)  ##### CE NYCE (15,000ths; centar/bs)  ######## CE NYCE (15,000ths; centar/bs)  ###################################	Premium Gescline   \$171-173
### CE (S0,000ths; centar/bs)  #0.21 66.20 55.85 3.491 37.525  #0.22 67.80 57.32 1,256 15,476  #0.17 68.95 68.70 1,055 15,575  #0.05 70.70 70.70 87 1,573  #0.03 71.85 71.70 87 18,386  #0.05 72.92 72.75 77 648  #### CE NYCE (15,000ths; centar/bs)  ##### CE NYCE (15,000ths; centar/bs)  ##### CE NYCE (15,000ths; centar/bs)  ##### CE NYCE (15,000ths; centar/bs)  ######### CE NYCE (15,000ths; centar/bs)  ###################################	Premium Gescline   \$171-173
### Page 18	Premium Gescline   \$171-173
### CE (S0,000ths; centar/bs)  #0.21 66.20 55.85 3.491 37.525  #0.22 67.80 57.32 1,256 15,476  #0.17 68.95 68.70 1,055 15,575  #0.05 70.70 70.70 87 1,573  #0.03 71.85 71.70 87 18,386  #0.05 72.92 72.75 77 648  #### CE NYCE (15,000ths; centar/bs)  ##### CE NYCE (15,000ths; centar/bs)  ##### CE NYCE (15,000ths; centar/bs)  ##### CE NYCE (15,000ths; centar/bs)  ######### CE NYCE (15,000ths; centar/bs)  ###################################	Coll PRODUCTS NWE prompt delivery CF formers
### CE (S0,000ths; centar/bs)  #0.21 66.20 55.85 3.491 37.525  #0.22 67.80 57.32 1,256 15,476  #0.17 68.95 68.70 1,055 15,575  #0.05 70.70 70.70 87 1,573  #0.03 71.85 71.70 87 18,386  #0.05 72.92 72.75 77 648  #### CE NYCE (15,000ths; centar/bs)  ##### CE NYCE (15,000ths; centar/bs)  ##### CE NYCE (15,000ths; centar/bs)  ##### CE NYCE (15,000ths; centar/bs)  ######### CE NYCE (15,000ths; centar/bs)  ###################################	Premium Gescline   \$171-173
### CE (S0,000ths; centar/bs)  #0.21 66.20 55.85 3.491 37.525  #0.22 67.80 57.32 1,256 15,476  #0.17 68.95 68.70 1,055 15,575  #0.05 70.70 70.70 87 1,573  #0.03 71.85 71.70 87 18,386  #0.05 72.92 72.75 77 648  #### CE NYCE (15,000ths; centar/bs)  ##### CE NYCE (15,000ths; centar/bs)  ##### CE NYCE (15,000ths; centar/bs)  ##### CE NYCE (15,000ths; centar/bs)  ######### CE NYCE (15,000ths; centar/bs)  ###################################	Premium Gescline   \$171-173

MEAT AND LIVESTOCK

M LIVE CATTLE CME (S0.0000s; cars

### WORLD BOND PRICES Bond prices slip as equities rally

GOVERNMENT BONDS

By John Labate in New York and Simon Davies in London

came under further selling pressure yesterday, as world stock markets continued to

London ctotang. "New York cleans. Yielde: Local market standard/Annua Lox at 12.5 per cent cayable by no

104 kg, yielding 5.807 per cent. per cent. "The main story rate rise was necessary for Shorter-term issues were here is non-auto manufactur-the moment. The March conalso lower as the 10-year ing continues to be very tract settled % down at 123% note lost % at 104%, yielding strong," said Maureen 5.529 per cent while the two-Maitland, domestic econo-Government bond markets year note lost 🛔 at 100%, mist at Donaldson, Lufkin & benefited from weak retail yielding 5.349 per cent.

turing sector also set a bear- through have not been felt ITALIAN BTPs underperish tone. Industrial produc- yet." US TREASURY prices tion rose 0.5 per cent in

BENCHMARK GOVERNMENT BONDS

BENCHM		OVE			BUND			**
Jan 16	Red Date	Coupon	Price	B-d Yreid	Day chg yield	vield	chg yki	chg yid
Australia	10/07		103.6704	5.2 5.8		+0.15	-0.34 -0.39	-0.98 -1.58
A								
Austria	09/99		104 47 <b>0</b> 0 103,2 <b>6</b> 00	5.1		-0.04	-0.29 -0.21	+0.51 -0.54
Selgium	01/00	4.000	99,9100	4.0		-0.10		
	03/07	_	107.6800	5.1		+0 01	-0.26	-0.58
Carada	09/99	4.750	99.8900	4.8 5.3		+0.16	-0.40	+0.76
					_			
Denmark	12/99 11/07		12.0100	5.2		+0.03	-0.29 -0.31	+0.49 -0.94
Finland	01/99	11,000 1	108,7981	3.83	2 +0.14	+0.11	-0.25	+0.28
	04/06		13.7150	5.10		+0.02	-0.29	-0.83
France	01/00	4.000	99.9900	4.00	-0.03	-0.05	-0.34	+0.69
	10/04		11.2300	4.70		-0.03	-0.29	-0.22
	10/07		03.1200	5.00		+0.05	-0.24	-0.48
				5.67		_	-0.18	-0.90
Germany	09/99		00.2200	3.85		-0.08	-0.34	+0.57
	11/04 07/07		15.2000	4,83 5.08		-0.04	-0.33 -0.23	-0.46 -0.59
	07/27		11.8900	5.66		+0.01	-0.23	-0.91
Iretand	04/99	0.250 1	01.8500	4.71		+0.06	-0.29	-1.08
	08/06	8.000 1	17.7000	5.30	+0.02	+0.03	-0.24	-1.22
وليتا	05/00		02.5400	4.8		+0.14	-0.15	-1.36
	05/02		04.7100	5.0		+0.10	-0.23	-1.43
	07/07		18.1000	5.44		+0.09	-0.23 -0.22	-1.88 -1.94
-	03/00		12.4200	_		+0.10		
Jepan	12/02		16.8800	0.50		+0.03	-0.08	-0.11
	09/05		09.2200	1.7		+6.04	-0.05	-0.69
	09/17	3.000 1	07.1500	2.54		+0.04	-0.04	-0.71
<b>Notherlands</b>	11/99		05 9400	4.00		-0.05	-0.34	+0.52
	02/07		05.0400	5.04		-0.02	-0.24	-0.50
New Zeptand	11/06		98.4248 08.4688	7,34 6.66		-0.27 -0.09	-0.62 -0.72	+0.38
Norway	01/98	9.000 1	04.6900	4.23	-	-	-0.20	+0.39
	01/07	6.750 1	10.1900	5,29	+0.01	-0.01	-0.22	-0.63
Portugal	03/99		04.4597 08.6091	4.49		+0.04	-0.31 -0.26	-0.97 -1.24
Spain	07/99		04.1914	4,46		+0.06	-0.14	-0.83
open.	03/07		13.9640	5.36		+0.03	-0.22	-1.25
Sweden	01/99	11,000 1	05,8756	4.84	+0.01	-	-0.27	+0.55
	08/07		17 1150	5.63		+0.05	-0.40	-0.98
Switzerland	03/00	5.000 1	06.8700	1.70	+0.05	+0.01	-0.32	-0.22
	QE/07	4 500 1	11 4900	3.07	-0.02	-0.05	-0.27	-0.67
VK	08/99	6.000	98.8984	6.75	+0.04	+0.14	-0.10	+0.29
	11/04		02.9688	6.21		+0.09	-0.22	-0.98
	12/07 06/21		08.6016 24.3594	6.08		+0.07	-0.24	-1.33
				6.04		+0.07	-0.25	-1.56
US	10/99		13,2890	5.38		+0.19	-0.33 -0.30	-0.60
	08/07		04,4380	5 51 5.52		+0.15	-0.30	-0.81 -1.03
	08/27		07.5550	5.84		+0.08	-0.20	-0.99
ECU	01/00	4.000	99.400n	4.32		-0.04	-0.38	+0.32
	04/07		02 1200	5.20		-0.04	-0.36	-0.81

rielding 5.349 per cent. Jenrette. "Any effects of sales figures, but still ended A report on the manufac- Asia that might come the day down 0.01 at 106.30.

UK GILTS recovered most concerns from a Bundesbank

moved lower in an abbrevi- December, after a 0.8 per of their early losses, follow- council member over Italy's ated session yesterday, and cent rise in November. ing comments from a Ger- Emu prospects. The spread US INTEREST RATES

the benchmark 30-year Trea- Capacity utilisation inched man Bundesbank official against bunds narrowed by sury bond plunged 3 at higher in December, to 83.4 suggesting that no German 2 basis points to 36. Treasury Bills and Bund Yields

589,25 584,10 583,35 577,30

£ equiv. 175-177

in quiet trading.

GERMAN BUNDS also

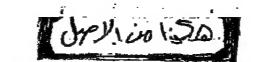
formed, following reported

BONI	FUTU	RES A	ID OP	TIONS	•		
Franc	e:e						
NOT	ONAL FRE	ICH BOND	FUTURE	S (MATIF	) FF+500,00	10	
	Open	Sett price	Change	High	Low	Est. vol.	Open int
Mar	102.68	102.86	-0.26	102.93	102.64	97,799	137,042
Jun	102.00	102,16	-0.28	102.18	102.00	142	2,513
Sep	101.76	101.92	-0.28	101.76	101.76	2	_
I LONG	TERM FRU	ENCH BON	ED OPTIO	INS (MAT	IF)		
Strike	-	- CAL	LS	_		PUTS -	
Price	Jen	Fet	) N	Agr	Jan	Feb	Mar
97	4.94	4.9	4 4	34	-	0.02	0.16
96	3.94	3.9	7 3	49	0.01	0.05	0.29
99	2.95	3.0	4 2	71	0.02	0.12	0.50
700	2.00	2.1	5 2	.03	0.06	0.22	0.81
101	1.13	1.3	7 1.	46	0.19	0.43	1.22
Est. vol. to	ed. Colls 29,53	1 Puts 18,520	). Previous (	gay's cipan	est, Calle 88J	76 Pas 10	en.
Germ	any						
-	ONAL GERM	AAN BUND	FUTURE	S (LIFFE)	* DM250,0	00 100ths	of 100%
= 140 tt					Low	F	Open int.
= 14011	Open	Sett price	Change	High	500	PEC ACI	
Mar	Open 106.11	Sett price 105.30	-0.01	-	105.04		263223
			-	105.37 105.73		182153 790	263223 3886
Mar Jun	105.11	105.30 105.73	-0.01	105.37 105.73	105.04 105.57	182153 790	263223 3886
Mar Jun BUNC	105.11 105.57	105.30 105.73 OPTIONS	-0.01 (LIFFE) DI	105.37 105.73	105.04 105.57 points of 1	182153 790 100%	
Mar Jun BUNI Serike	105.11 105.57	105.30 105.73 OPTIONS	-0.01 (UFFE) DI	105.37 105.73 M250,000	105.04 105.57 points of 1	182153 790 100%	
Mar Jun BUNI Strike Price	105.11 105.57 FUTURES	105.30 105.73 OPTIONS GAL	-0.01 (UFFE) DI	105.37 105.73 M250,000	105.04 105.57 points of 1	182153 790 100% Putts — Apr	3886 Jun
Mar Jun	105.11 105.57 FUTURES Feb 0.47	105.30 105.73 OPTIONS CAL Mar / 0.86 0.	(UFFE) DI	105.37 105.73 M250,000 un Fe	105.04 105.57 points of 1 sb Mar 17 0.56	182153 790 100% Putts — Apr	3886

Mar Jun BUND F Sprike	105.11 105.57 TURES	105.30		High	LOW	DIC TO	Open in
BUND F			-0.01	105.37	105.04	182153	263223
	TURES	105.73	-	105.73	105.57	790	3886
Strike		OPTIONS	(LIFFE) D	M250,000	points of 1	100% ee000	
			LLS -			PUTS -	
Price	Feb		-	un Fei		Apr	Jun
19600	0.47			14 0.17		1.07	1.41
10650	0.19		1.58 0.9			1.36	1.68
10700	0.06	0.38	0.42	72 0.76	1.08	1.69	1.99
Est. vol. loss MOTION (DTB) DA	IAL GER	MAN BUN 100ths of	D (BOBL)	FUTURES			
	Opan	Sett price	Change	Hìgh	LOW	Est. vol	Open Int
Mar	105.00	105.20	+0.08	105.21	104,92	152,681	219,415
Ju	104.82	104.77	+0.08	104.62	104.62	150	770
M NOTION	MATE IAL			BTP) FUTI	IRES		
		m 100ths o					
		m 100ths o Sett price		High	Law	Est. vol.	Open in
(LIFFE)*	Ura 200r Open	Sett price	Change	High			Open in
	Lira 200r			High 117.15 116.45	Low 116.72 115.20	Est. vol 86349 2490	
(LIFFE)*	Open 117.10 116.40	Sett price 116.85 116.30	Change -0.36 -0.33	117.15 116.45	116.72 115.20	86349 2490	123582 14180
(LIFFE)* Mar Jun	Open 117.10 116.40 50VT. BOX	Sett price 116.85 116.30	Change -0.36 -0.33 rruses of	117.15 116.45 TICHS (LIFT)	116.72 115.20 Lina200m	86349 2490	123582 14180
(LIFFE)* Mar Jun B (TALIAN) (	Open 117.10 116.40 30VT. BOX	Sett price 116.85 116.30 10 (617) FU	Change -0.36 -0.33 rruses of	117.15 116.45 TICHS (LIFT)	116.72 115.20 Lina200m	86349 2490 1000to ol 1 PUTS —	123582 14180
(LIFFE)* Mar Jun  E ITALIAN ( Strike	Open 117.10 116.40 30VT. BOR	Sett price 116.85 116.30 80 (BTP) FU	Change -0.36 -0.33 ruses or	117.15 116.45 TICHS (LIFT)	116.72 115.20 3 Lina200m	86349 2490 1000m of 1 PUTS —	123582 14180 1005
(LIFFE)*  Mar Jun  B. ITALIAN (  Strike  Price	Open 117.10 116.40 GOVT. BOV	Sett price 116.85 116.30 60 (BTP) FU	-0.36 -0.33 -0.33 TURES OF	117.15 116.45 TICHS (LIFT)	116.72 116.20 Lina200m	86349 2490 100ths of 1 PUTS —	123582 14180 100%

27,856 10				-3 a 5											
Spain a NOTE		NISH BOM	FUTUR	es (MEFF)				Ecu BCU	BOND FUT	URES (MA	TIF) ECU1	000,000			
Mar	Open 107.33	Sett price 107.21	Change -0.21	High 107.40	Low 107.13	Est. vol. 86,819	Open int. 97,306	Mar	Open 102.16	Sett price 102,04	Change -0.28	High 102,16	Low 101.92	Est. vol. 2,746	Open in
UK		~~~		F10 FF0 500				US UST	REASURY				00 32nds		
Mar	Open 123-11	Sett price 123-10 107-08		High 123-18	Low 123-06		Open int. 188637 1925	Mar Jun Sep	Open 123-01 122-16 122-06	Sett price 122-10 122-00 121-21	-0-23 -0-22 -0-22	High 123-04 122-17 122-06			1
E LONG	GILT FUT	URES OPT	_	FE) 850,00	10 64ths a	100% PUTS ~			ONAL LON 3 Y100m 1			E GOVT.	BOND FU	TURES	1.4°.
Price 123 124	Feb 0-39 0-13	Mar 1-13	Apr J	un Fe	9 0-57	Apr 15-48	15-48	Mor	Open 129.85	Closes	Change	129.85	Low 129.81	Est. voi 2236	Open in
125 Est. vol. la	0-03	0-26 90 Pum 1305	ō i	0 0-3 1-4 day's open	7 2-08		17-48	· LEFFE to	129.23 turns also tra	uded on APT	. All Open	129.23 interest liga	129.05 - em for pa	297 evicus day.	- 11/8
		aries	Day's	Secu	Accrus		aci,			Pri	Day's	Thu		UK In	

UK GIRS PRICE MORGE	Jan 10 change	% Jan 15	interest yes	_	Index-limited	Jan 16	change % J	an 15 Interest	ytt
2 5-15 years (21) 3 Over 15 years (4) 4 Irredeemables (4)	120.17 0.01 160.69 -0.06 197.16 -0.21 244.30 -0.24 153.38 -0.07	190.77 197.58 244.86 153.48	2.28 0.51 1.91 0.74 2.53 0.00 2.92 0.00 2.23 0.58		6 Up to 5 years (2) 7 Over 5 years (10) 8 All stocks (12)	213.74 217.83 216.31	-0.04 21	13,73 1.84 17,92 1.04 16,39 1.11	0.00 1.14 1.02
Yields Jan 16	Jen 15 Yr ago	on yield	Low Jan 16	Jan 15 Y	m coupon yield r ago High	Low	Jan 16 Jan 1	High coupon yie	LOW.
5 yrs 6.28 15 yrs 6.07 20 yrs 6.07 Irred.† 6.18	6.27 7.19 6.05 7.69 6.05 7.75 6.16 7.79	8.19 30/4 5 8.26 30/4 5 8.30 30/4 6	1.09 12/1 6.37 1.96 12/1 6.08 1.96 12/1 6.07 1.09 12/1	5.08 5.04	7.24 7.53 1/4 8. 7.67 8.20 30/4 5. 7.71 8.25 30/4 5.	18 12/1 98 12/1 97 12/1	6.42 B.41 6.19 6.17 6.18 8.16	7.29 7.61 3 7.54 8.29 3	0/4 6.22 12/ 0/4 6.08 12/
Index-Rinked	2.97 3.23	3.72 5/8 2	94 13-2 2.20		ation rate 10% 2.59 3.07 5/8 2.	14 13/1			<u> </u>
ower 5 yrs 3.00	2.99 3.59	3.72 19/6	2.95 5/1 2.78	2.77	3.40 3.50 19/6 2.7	4 15/12			·
Average gross redens Base values: UK Gliss	ption yields are s Indices \$1/12/7	shown above. ( 5 = 100.00 and	Coupon Bands: Los Mindex-Linked 30/4	v: 0%-74,% VB2 = 100.0	i; Medium: 8%-104; 10. * 1997/98 highs n	6; High: 1	1% and over.	Flat yield. yid '	fear to date
FT Fixed Interes									
Jer	n 16 Jan 15 Jan	14 Jan 13 Jan	12 Yrago High	Low		an 16 Jan	15. Jan 14 Jun	13 Jan 12 Yr ag	o Hight Lo
Govt. Secs. (UK) 103	28 103.22 103	41 103.83 103	.92 95.23 103.92	93.31	Street interest 15	D E1 198	40 100 00 100		
© FTSE international Ltd compilation: 139.27 (12/01	/96). low 30.53 (03/	01/75). Basis 100	Government Securbs	anus mgn san a 15/10/25 an	ice complication, 127,40 ( d Phaed Interest 1928, SE	09/01/35), k activity ind	on 49.78 (03/01/7) loss rubased 1974	3). Flood Interest No	ph since
UK GILTS PE	S.Co. E.		We thought						
	_ Teld	1997798		Mari					100
Holms	it Red Price E .			Cas Int A	Red Price E + or - High	7.66 _ Low	Notes	(Ti : (2) Price E	
Fight 1998   199	1.99 7.07 115 255 - 100m 7.25 7.25 100 1.25 7.25 100 1.35 7.15 105 1.35 7.10 105 1.35 7.10 105 1.37 7.07 102 1.37 7.07 105 1.37 7.03 105 1.37	- 166, 116, 116, 116, 116, 116, 116, 116	Treas 10pc 2004 Treas 10pc 2005 Treas 12pc 2005	** 843 \$ 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	187 115, -1, 1151 185 1165 -1, 1151 185 1165 -1, 1151 185 1165 -1, 1151 185 1165 -1, 1151 185 1165 -1, 1151 185 1165 -1, 1151 185 1165 -1, 1155 185 1165 -1,	113 2½ 2½ 109½ 4½ 109½ 2½ 11033 2½ 117½ 2½ 110¾ 2½ 111½ 3½ 95¾ 2½ 100⅓ 115% and 100⅓ Pros 115% and 100⅓ 115% and 100⅙ 100⅙ 100⅙ 100⅙ 100⅙ 100⅙ 100⅙ 100	ding the 8 months	3.01 2.08 (71) 3.01 3.07 144§5 2.98 3.85 141§ ption rate on project res in personness prior to beauty and h	L LINE LINE LINE LINE LINE LINE LINE LIN
ow Spc 2000	1.23 6.70 1034 6.72 1044 1.39 6.77 114 1.59 7.14 1023 7.74 1023 1.60 1034 1.66 1034 1.74 6.65 1034 1.74 6.65 1034 1.74 6.65 1034 1.80 1034 1.80 1034	~ 5 10년 1021 ~ 5 10년 103 ~ 119년 103 ~ 119년 102 ~ 100년 102 ~ 109년 102 ~ 109년 103 ~ 109년 103 ~ 109년 103	1 Frees Spc 2008 ##	7.30 8 	508 115% -\(\bar{\chi}\) 116\(\bar{\chi}\) 111 107\(\bar{\chi}\) -\(\bar{\chi}\) 126\(\bar{\chi}\) 121 125\(\bar{\chi}\) 131 127\(\bar{\chi}\) 131 134\(\bar{\chi}\) 134 134\(\bar{\chi}\)	109] 160.0 55\ 109\ 109\ 20\ 20\ 20\ 20\ 20\ 20\ 20\ 20	r 3.843. HM 107 N	Ney 1997: 158.9 and	Iga December
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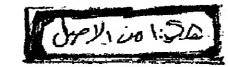




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#### CURRENCIES AND MONEY

### Sterling gains

MARKETS REPORT By Richard Adems

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below DM3, as traders stimulus measures, revised their views on UK. The D-Mark's w interest rates.

The pound strengthened almost a pfennig against the D-Mark to DM2.9911 by the end of trading hours in London, and continued rising to DM2.9960 in later trading.

The rise came after weak German retail sales figures. Klaus-Dieter Kuehbacher, a Bundesbank council member, said there was no need. for an interest rate rise in Germany, but that a cut was not impossible. Market sentiment expects further UK rate rises next month, after recent strong employment and wages data;

The Japanese yen continyesterday gaining another

EXCHANGE CROSS RATES

BFr DKr FFr

100 18,46 16,23 4,846 54.18 10 8,794 2,628 61,62 11,37 10 2,986 20,64 3,609 12,349 1 52,12 9,820 8,460 2,526

close at Y128.98 in Europe. The currency was helped by a 6 per cent rise in the Nikkel, one of its biggest in Sterling finished the week recent years, on indications on the international cur- Japan's government is con- 1.80 rency markets nestling just sidering further economic

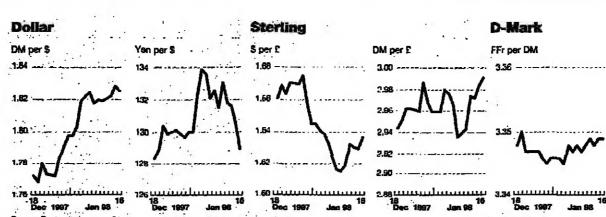
> . The D-Mark's weakness meant the yen advanced to Y70.6, from Y71.26.

The Bank of Portugal cut its repurchase rate by 20 basis points to 5.1 per cent and lowered its drain rate to 4.8 per cent from 4.9 per

1 6375 1 6375 1 6360 1 6300 - Prev class ---1 6305 1 6280 Jeg 16 1 6230

cent. The cut was expected, and the escudo remained at Es102.2 to the D-Mark.

■ Mr Kuehbacher was sceptical of the lira's chances of ued its good performance, joining monetary union in



more critically, it has a very

"The [Italian] budget can only be managed so well because there are comfort- of the D-Mark. able long-term interest rates. Italy is stable now, but it must stoy that way," he added. The lira fell against the D-Mark, down L2.6 to L984.9. The Italian bond market bore the brunt of the

negative reaction. the first wave. He said: that, in Germany, "there is punt was the only European The South African drawal from the forward "There are good reasons for no economic need for higher

viewing Italy somewhat interest rates, the economic deviate from its Exchange the removal of the cash hold-more critically, it has a very data argue against it." Ana-Rate Mechanism level. lysts said that his comment impossible" sparked selling

> ■ The Irish pound spiked up close connection to sterling. to DM2.55 after Mr Kuehbacher suggested the cur-European monetary union.

be delivered in Frankfurt, Mr Kuehbacher also said Mr Kuehbacher said the

He attributed the strength that a rate cut was "not of the punt to Ireland's buoyant economic growth and The punt fell back to

DM2.526 in later trading. rency might be revalued for Monday's meeting of EU finance ministers is expected In the text of a speech to not to discuss a possible revaluation, analysts said.

Union currency to seriously Finance Ministry approved

dealers, the Reserve Bank announced yesterday.

The foreign currency holdattractiveness as an invest- ings limit was abolished. ment option, as well as its subject only to certain restrictions regarding the purpose and placement of some funds, the bank said. Analysts welcomed the government's removal of cash limits on dealers, seeing it as a step that would assist the Reserve Bank in its with-

market.

6.00 4.60 4.50 3.30 3.30 6.75 6.23 3.30 1.00 S LEOR FT London interbenk Fixing US Dollar CDs 5.37 5% 5.39 5% 5.41 ECU Linked Ds. S LIBOR interbank toung rai reterance banks or tham ear Mesubash, Barclays and Nati **EURO CURRENCY INTEREST RATES** Belgian Franc Danish Krone German Mark Dutch Gulder French Franc Portuguese Esc Spanish Peseta Sterlan Spanish Peseus Sterling Swiss Franc Canadian Dollar US Dollar Halian Lira Japanese Yen Asian SSing

MONEY RATES

THREE MONTH PIBOR FUTURES (MATIFPARS Interbank offered rate Est. vol. Open int. 9,631 77,323 6,737 45,511 6,051 31,372 High 96.36 96.24 96.13 Sett price Change +1.23 +1.21 -0.27 96.36 96.23 96.13 THREE MONTH EUROMARK FUTURES (LIFFE)" DM1m points of 100% Open Sett price Change Est. vol Open int. 96.37 96.25 96.15 96.00 39538 362594 58407 346369 62662 242443 50216 224105 96.34 96.19 95.10 95.95 +0.03 +0.03 +0.03 96.39 95.27 96.17 96.01 MONTH EUROMARK FUTURES (LIFFE)\* DM3m points of 100% Open Sett price Change Est vol Open Int. 96.49 96.46 -0.01 966 133 150 50 -0.02 IN THREE MONTH EUROLINA FUTURES (LIFFE)" L1000m points of 100% Open Sett price Change High Low Est. voi Open int. 94.39 95.15 95.52 95.65 94.35 -0.08 95.08 -0.12 95.44 -0.12 95.63 -0.06 94.42 95.16 95.53 95.67 42951 47516 133923 II THREE MONTH EURO SWESS FRANC FUTURES (LIFFE) SETIM points of 100%. Open High Sett price Change Est. vol Open int. -0.05 98.45 -0.06 98.32 -0.06 98.22 -0.06 98.04 98.41 98.29 98.19 98.00 98.31 98.20 98.02 20612 THREE MONTH EUROYEN FUTURES (LIFFE) Y100m points of 100% Open Sett price Change High Low Est. vol Open int. 99.22 99.22 99.33 99.34 +0.02 +0.01 99.22 : +0.01 n/a IN THREE MONTH ECU FUTURES (LIFFE) Ecu1m points of 100% Open Sett price Change High Est. vol Open Int. 95.64 95.66 95.66 95.81 95.66 +0.01 95.70 +0.03 95.71 +0.03 95.67 +0.02 95.68 95.70 95.72 95.87 95,64 95,66 65,64 95,81 543 653 1749 310

High Low Est voi Open int -0.02 -0.05 -0.06 94.41 94.47 94.47 94,45 94,55 94,57 88,425 482,250 76,298 400,022 84,733 264,500 94.42 94.48 94.49 Jun Sep ILLIS TREASURY ISSLL PUTURES (IMM) \$1m per 100% -0.04 -0.07 -0.06 95.22 95.27

EUROMARK OPTIONS (LIFFE) DM1m points of 100% 0.01 0.02 0.03 0.13 0.15 0.16 0.38 0.39 0.39 0.63 0.63 0.63 9625 9650 9675 9700 0.13 0.04 0.01 0 0.13 0.29 0.51 0.75 Strike Price CALLS 9850 9875 0.06 0.11 0.03 0.05 0.12 0.07 0.14 0.34

EUROLIRA OPTIONS (LIFFE) L1000m points of 100% - CALLS PUTS Jun 0.88 0.68 0.46 Sep 0.05 0.08 0.13 9425 9450 9475 1,25 1,02 0,80 0.06 0.08 0.11 0.23

DELPHIA SE D-MARK/S OPTIONS DM62.500 (5 per DM) CALLS -Strike Price Mgr 0.05 0.540 0.545 0.650 0.94 1.24 0.31 0.54 0.53 0.64 0.41 0.73 0.99 0.42 Previous day's vol., Calls rule Puls rule . Prev. day's open int., Calls rule Puls rule

IN OTHER CURRENCIES 

FT GUIDE to WORLD CURRENCIES The FT Guide to World Currencies table can be found on the Markets page in Monday's edition.

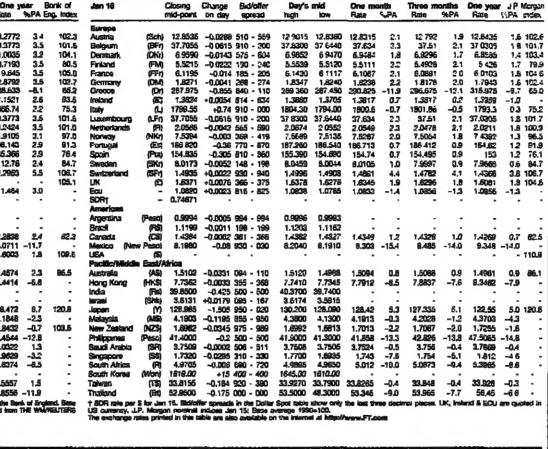
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stria	(Sch)	21,0417	+0.0507	319 - 515	21,0581	20.8378	20.9238	3.5	20,795	3.7	20.2772	34	10
algium	(EF1	61.7258	+0 1963	851 - 665	61.7710	61,4350	61.3282	4.1	60,9362	3.9	59.3773		10
warrank .	(DKr)	11.3922	+0.0295	866 - 977	11,4015	11.3366	11.3277	3.7	11.2627	3.5	11.0035	3.2	10
nland	(FM)	9.0390	+0.0058	324 - 456	9.0520	9.0110	9.0016	4.2	8.3453	3.9	8.7193		8
BrCS	(FFr)	10.0179	+0.0237	135 - 223	10.0286	9.9706	9.9612	4.0	9.8993	3.8	9.645	3.5	10
ermany	(DM)	2.9911	+0.0073	837 - 924	2.9948	2.9760	2.9739	4.0	2.9552	3.8	2,8792	3.5	10
DOGO.	· (Dr)	471 430	+0.798	079 - 750	471 914	469.296	474.906	-10.9	483.282	-10.8	508,633	-8.1	
iand	(E)	1.1842	+0.0009	830 - 854	1,1890	1,1744	1,1821	1.2	1,1785	1.6	1.1521	2.6	g
By	(4)	2945.95	+14.68	441 - 750	2948.24	2930.34	2928.13	12	2920.76	1.4	2866.74	22	7
prembourn	(LFr)	61.7258	+0.1863	851 - 665	61.7B10	E1.4350	61.3282	4.1	50.9382	3.9	59.3773	3.5	10
ineriands,	(FO	3.3703	+0.0088	689 - 716	3.3731	3.3542	3,3498	4.2	3.3283	4.0	3.2424	3.5	10
TW3y	(NG)	12.3424	+0.0524	349 - 499	12.3502	12,2780	12.2502	3.9	12.1767	3.7	11.9105	3.1	- 1
rtuget	(Esi	305.834	+0.833	668 - 000	306.004	304,339	304.352	2.6	302 922	2.7	266,143	2.9	i
nisc	Pal	253,473	+0.68	352 · 583	253,590	252 280	252.237	2.6	251.056	2.7	245,366	2.9	
veden	(SKI)	13,1247	+0.0524	170 - 324	13,1327	13.0590	13.041	2.9	12.9829	2.7	12.78	2.4	-
witzerland .	SFr	2,4449	+0.015	434 - 464	2,4467	2.4327	2.4171	5.3	2.3935	6.0	2,2953	5.5	1
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nericas													
gentina .	Pesol	1,6361	+0.0069	356 - 365	1,6367	1.6273				-		-	
azi	PS	1.8333	+0.0067		1.8340	1,6182				-		-	
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3A	53	1.6371	+0.0076	366 - 375	1.6378	1.6276	1.6269	1.9	1.622	1,9	1.6003	1.8	11
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ong Kong .	o iksi	12,8645	+0.0533		12.6710	12.5960	12,6925	-7.7	12.8246	-6.8	18,4414	-6.8	_
ie .	8	86,2385	-0.3396		65,8540	65,0490				-		-0.0	
	CSW)	5.9148	+0.0566		5.8250	5.8800			- :	_	_		
000	M	211,155	-1.472		212,140	208,930	211.367	7.1	208.957	6.9	198,472	6.7	12
aksysia	DAS:	6.8597	-0.1629		7.1285	6.7364	7.0125	1.7	7.0177	0.3	7.1848	-23	
w Zeeland	NZS	2,7801	-0.0432		2,8191	2.7651	2,8263	-1.3	2,5311	-1.1	2.8432	-0.7	103
	Pesoi	67.7739	-0.0113		65.1964	67.6411		-11.8	89.9712	-12.9	78.4544	-12.8	150
ud Arabia	(SR)	6.1403		382 - 424	6.1431	8.1058	6.1056	1.3	6.0913	1.4	5.0322	1.3	
COCOUNT .	(55)	2.8354	-0.0349		2.8849	2.7635	2.8918	-9.0	2,9082	-5.3	2.9629	-32	
uth Africa	(60)	B. 1370	+0.028		8.1481	8.0888	8.1659	-8.4	8.2635	-7.8	8.6374	-65	
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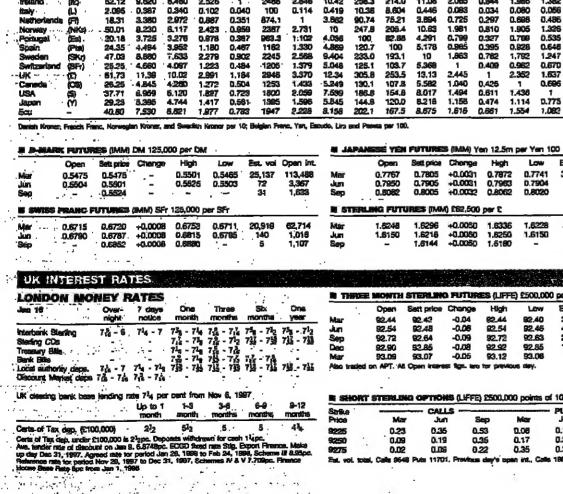
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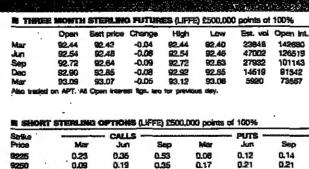
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 High
 Low
 Est. vol
 Open int.

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 0.7872
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 80,936

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 2,267

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 340

0.485 1.326 0.535 0.645 1.247 0.670 1.637 0.696 1

342.1 185.3 210.8 70.60 178.3

62.85 171.1 69.04 83.30 160.9 85.36 211.2 88.90 128.0 100 139.6

2,451 1,329 1,510 0,506 1,278

0.449 1.226 0.485 0.597 1.753 0.819 1.513 0.643 0.924 0.717

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SHORT!	STERLING	OPTION	6 (LIFFE) 250	0,000 point	s of 100%	
Strike		CALL			PUTS -	
Price	Mar	Jun	Sep	Mar	Jun	Sep
9225	0.23	0.35	0.53	0.06	0.12	0.14
9250	0.09	0.19	0.35	0.17	0.21	0.21
9275	0.02	0.08	0.22	0.35	0.36	0.33
Est voi total,	Calls 9648	Puls 11701.	Previous day	o open int., C	olis 188339 P	una 1690á1
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Cyprus Popular Bank 7.25 Duncan Lawrie 7.25	Pensa Brothers 7.25 Royal Bk of Scotland 7.25 Scotlan Widows Bank 7.25		
R	utur	es	-

EMS EUROPEAN CURRENCY UNIT RATES

Change on day

-0.009135 +2.02

-0.00098 +0.074

+0.00212 +0.00517 +0.0048 +0.0008

+0.00063

Ecu central reste set by the European Commission. Cumerices are in descending reliance strength Percentage changes are for Ecu; a positive change denotes a west cummon. Divergence shouts the raiso between two spreads: the parametrage definence between the actual market and Ecu central state for a cumerity, and the maximum permitted generatings deviation of the currency's market rate from £6 Ecu central res. 1759ES: Setfore assembled leven 25th Advantage of the Commission of the Commission

RASE LENDING RATES

Adam & Company 7.25 Exeter Trust Limited 8.25 • Singer & Fredlander 7.25
Alkied Irish Bank (GB) 7.25 Financial & Gen Bank 8.00 • Smith & Wilsemson 7.25
Henry Anstacher 7.25 • Gentes Mehon 7.25 Sun Bankung Corp Ltd 7.25
Bank of Cyprus 7.25 • Habb Bank AG Zurich 7.25 TSB 7.26
Habb Bank AG Zurich 7.25 Illust Tout Bank of Kuyapit 7.26

7.25 Whambros Bank 7.25 Unity Trust Bank Plc 7.25 7.25 Heritable 8 Gen Inv Bk.7.25 Whiteaway Laidtaw 7.25

Rate

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7.52979 6.62438 13.9099 2.22785 1.97718

NON ERM MEMBERS
Greece 295.269 311.598 -0.22 5.53
UK 0.783103 0.862091 -0.001508 -16.52

E PHILADELPHIA SE 6/S OPTIONS \$31,250 (cents per pound)

1.75 1.28 0.92

0.798709 1906.48 5.85424 183.826

197.398 7.34555 6.45863 13.5485 2.16979 1.92573

Jan

0.50 0.03

1.630 1.640 1.650

% +/- from % spread

14 -15 -15 -16

-17 -22 -19 -20 -26 -20

Mar

2.32 2.83 3.44

7.25

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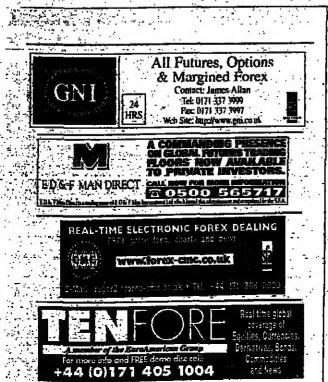
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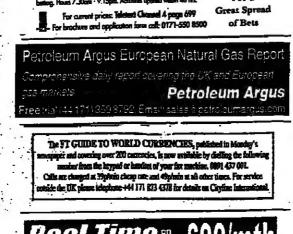
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2.51 2.57 2.67 2.68 2.67 2.70





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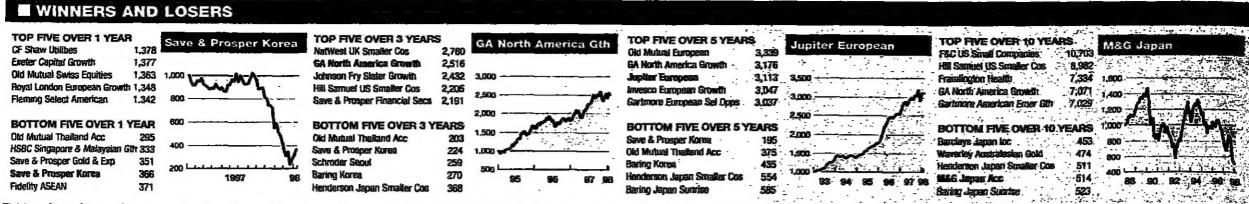
The LD.S./G.M.L. Seminar will show you how the markets REALLY work. The







### **UNIT TRUSTS**



Fidelity ASEAN 371	1997	98 Garmy Acrea Henderson Japan Smalter Cos	368 95	96 97 98		554 93 94 585	OF 50 31 50 .	MAG Japan For 514 Baring Japan Sundae 523	88 90	92 94	
Tables show the result of inves	sting £1,000 over diffe	rent time periods. Trusts ar	e ranked on 3-year	performance	. Warning: past performan	ice is not a guide	to future perfe	ormance. Source: RE			511311)
■ Indices 1 year (5)	5 5 10 Volation	UK Eq & Bd	1 year (C) 3 5	10 Volatility Ykl96	International	1 year (C) 3 · · 5 ·	10 Votesity Yk9%	■ Best Peps	(c) 3		
	1348 1683 2904 3.5		1123 1785 2399	- 3.1 1.1	Save & Prosper Financial Secs	1206 2191 2827	4758 3.4 1.2	NatWest UK Smaller Cos - 1	17 2760	100	35 14
	1402 2031 3274 4.7	0 00 1 10 1 1	1164 1694 2339	- 24 26	Framington Health	997 2127 2050	7334 7.1			2608	30 06
	1115 1198 1804 0.0	Contife to		- 25 3.9	Framington Financial	1280 2039 2508				2827	34-12
	1111 1201 1805 0.0	NIPH 102 P. A. L. L.		2686 2.2 3.1	AberdeenProlific Technology	976 1994 2608		Gartmore UK Smeller Companies 11		2751	33 03
	1754 2110 3726 2.6	CECTOR AVERAGE		- 2.2 3.1 2652 2.3 2.7	Save & Prosper Growth	1176 1863 2480		Jupiter European 10	96 2069	3113	84 85
1010	1101 1149 1549 0.3	_ SECTOR AVERAGE	1114 1545 1594	2002 23 21	SECTOR AVERAGE	1043 1331 1677	2922 3.8 1.0	AVERAGE UT PEP 11	05 1530	1931	28 27
	3 5 10 Volazility	ਖ਼ੜ ■ UK Fixed Intere	est		■ Nth America			Property . 1 year	(D) 3	5. AD 3	Volumby Vide
		0.8 AberdeenProlific Fix Interest	1120 1488 1949	2588 1.4 7.9	GA North America Growth	1280 2516 3176	7071 4.6 0.0			2337	28 12
		0.5 CU PPT Monthly Income Plus	1221 1477 1773	- 1.8 7.3	Hill Samuel US Smaller Co's	1076 2205 2524				1616 -	1.0 5.4
		2.1 M&G Corporate Bond	1180 1460 -	- 1,9 6.3	Dresdner RCM America Sm Co					370 -	0.9 5.6
		1.6 Dresdner RCM Preference Inc		2535 1.4 7.6	Royal & SunAll Nth America	1272 2141 2736	5916 4.0 0.3	SECTOR AVERAGE 10		774	1.5 4.2
		1.2 CU PPT Preference Inc 1.7 SECTOR AVERAGE		2690 2.2 6.5	Henderson American Small Cos	5 1176 2065 2385	6385 5.2 -		-,		
1110	1000 1010 2000 101	1.7 SECTOR AVERAGE	1111 1348 1509	2125 1.6 6.4	SECTOR AVERAGE	1142 1773 1959	4585 4.4 0.5	-			
■ UK Growth & Income		UK Gilt			■ Europe					`	
	1886 2308 3200 2.6		1227 1466 -	40 55				Commodity & Energy		7	er komen er ge
Britannia UK General Inc 1162 1		2.8 M&G Gilt & Fixed Interest		- 2.0 6.5 2149 1.8 5.7	Jupiter European	1096 2069 3113		100		958 2505	5.5 1.9
Perpetual Income 1157 1	1753 2394 3582 2.7		1172 1383 -	- 22 48	INVESCO European Growth Threadneedle Euro Sel Gt Acc R	1163 2027 3047	4876 4.2 -			337 1527	5.5 1.4
	1741 2069 3144 2.6		1149 1367 1496	- 1.7 6.7	Baring Europe Select	R 1180 2008 2795 1102 1992 2978	4166 4.4 0.1 4028 3.6 0.8	Save & Prosper Commodity 69 Hill Samuel Natural Resources 69		229 1604	6.1
		2.0 Murray Acumen Reserve	1132 1363 1481	- 1.5 6.1	Newton European	1257 1958 2449	4638 4.1 -			079 1419 409 2135	5.4 1.3 8.2 0.7
SECTOR AVERAGE 1149 1	1584 1867 2923 2.7	2.4 SECTOR AVERAGE	1103 1274 1365	2081 1.4 5.5	SECTOR AVERAGE	1142 1603 2206		SECTOR AVERAGE 5		365 1860	7.1 1.2
UK Smaller Companies	_				_						
		■ International Eq			Japan			Investment Trust U	nits		10
	2760 3.5 2129 2761 2666 3.3	CI THE PRINCIPLES IN COUNTY OF THE		3584 2.7 2.0	GT Japan Growth	897 905 1324	1468 3.7 -	Quilter High Inc Inv Tst Acc 11:	1 1440 2	155	25 34
	980 3.0	IAION OUT CHANGE IN THE PRINTING	1125 1523 1903	- 2.7 4.0	Bailte Gifford Japanese	992 817 1112	1312 5.6 -	Quilter Investment Trusts Inc 100	5 1401 2	083 -	8.1 0.4
	938 2288 - 2.9	THE THOUSE STREET		3248 2.8 4.0	Martin Currie Japan	872 809 1262	- 5.8 -	M&G Fund of Investment Trusts 102	6 1343 1	834 3183	3.1 1.4
		.6 Premier Global 100		2777 2.3 2.6	Murray Japan Growth	940 797 1135	- 4.9 -	Equitable Trust of Invest Tsts 100		874 3487	27 1.6
		.6 SECTOR AVERAGE	1103 1448 1765 2	1874 3.3 0.6 2802 2.8 2.6	Newton Japan	908 769 1149	1135 5.4 -	Exeter Fund of Investment Tsts 104			28 05
		or o	1100 1990 1740 2	2002 2.5 2.0	SECTOR AVERAGE	763 575 871	907 5.8 0.6	SECTOR AVERAGE 104	9 1290 18	828 2936	28 .19
UK Equity Income		International Fix	ed Interest		Far East inc Japa	an		Fund of Funds			1.00
	004 2869 4760 22 3		1072 1376 1481	- 1.5 4.8	AlB Govett Greater China		2829 6.8 -		- 4544 44	` '	3 33
		.3 Newton International Bond	1078 1325 1396	- 20 4.5	Royal & SunAll Far East	682 825 1128	1208 5.9 -	Royal & SunAll Portfolio 107 TSB Selector 109			3.0 1.1
	757 2189 3705 2.5	Oily I morning Deciding life!	1124 1318 1298 2	2055 2.8 6.0	Schroder Far East Growth Inc	712 810 1294	- 5.8 0.3	Mercury Managed Income 111			25 14 19 38
_		.0 Barclays BGI Intl Fix Int Inc	1031 1280 -	- 1.0 4.9	Jupiter Far Eastern	776 799 1127	- 6.1 -	Mercury Managed Growth 108			28 18
	734 1995 3690 2,6 3	LANG HIS SOUR OF COURSE TOIC	1065 1262 1356	- 1.3 5.8	Friends Prov Pacific Basin	710 792 1196	1546 5.3 0.2	Lazard Income Inc 112			24 34
SECTOR AVERAGE 1149 16	562 1920 2898 2,5	SECTOR AVERAGE	1012 1149 1194 1	837 1.8 5.0	SECTOR AVERAGE		1708 5.6 1.1	SECTOR AVERAGE 102			26 1.8
■ UK Equity & Bond Inco	nme	■ Intometics -1 5-									
HSBC High Income 1195 16		■ International Eq			■ Far East exc Jap	oan		Global Emerging Mi	cts		
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_	598 1932 2239 2,4 8		1167 1547 1763	- 20 32	Friends Prov Australian		4128 4.8 -	Stewart Ivory Emerging Market . 83	995 14	06 -	5.4 0.5
	593 1879 - 2.5 3			710 28 1.5	INVESCO Hong Kong & China		4892 8.1 0.6	Portfolio Emerging Markets 85			4.9, 0.3
BA 10 114	579 22 3	- Homon mappia	1169 1489 - 1109 1464 1733 3	- 3.4 1.4	Old Mutual Hong Kong		4616 8.5 1.2	Rothschild FAP Emerging Mkts 83			5.3
	439 1762 2431 2.1 5				Henry Cooke LG East Enterprise		7.7 0.7	Save & Prosper Emerging Mikts 85			6.5 0.5
		SEGIOU VACUADE	1082 1365 1591 2	532 24 23	SECTOR AVERAGE	551 694 987	2964 7.1 1.2	SECTOR AVERAGE 81	874 11	81 2420	5.8 0.4

### **INVESTMENT TRUSTS**

WINNERS AN	D LOS	ERS			-			-									C			
OP FIVE OVER 1 YEAR	Koro	a-Europ	0 E	and		TOP FIVE OVER 3 YEARS					-		TOP FIVE OVER 5 YEARS							TOP FIVE OVER 10 YEARS
cottish National Capital 4,6	636	Ediop	,,,	unu		Scottish National Capital 4,722	U	indov	er				TR Technology B 9.83	<sub>20</sub> E	ast G	e mis	m			
it Davids 2nd Residual 3,8	895					TR Technology B 4,360	-						Scottish National Capital 7,00							
ulcrum Capital 3,5	522 1,400					Foreign & Col Enterprise 3,368		) )					.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		·	_				Foreign & Col Enterprise 9,001
ramilington Dual Capital 3.1	149 1-200 .	4				Gartmore Scotland Capital 2,726									-L	1				MCTT Capital 8,869 11,000
eming Income & Growth Cap 2,2		7	3	_		_		···					Jos Holdings Capital 5,38		000	1				Rights & Issues Inc 6,727
coming and one or diomai cap 2,2	1,000	-7~	4.4	-		Gandover 2,651	2.5					~	Foreign & Col Enterprise 5,29	39	900	.,	-	1	1	Law Debenture Corporation 5,941
OTTOM FIVE OVER 1 YEA	AP 500 ~			1		BOTTOM FIVE OVER 3 YEARS	2,0	m									AF	11.		7,000
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						Korea Liberalisation Fund 140		500	_~	N . /		h .	Eest German 15	51	100			-لم	-	Korea-Europe Fund 354 5,000
	304 400 —				n	East German 181		~		4			Korea Liberalisation Fund 23	34	200					nvesco Enterprise 514 3,000
_	19 200 -				4	Korea-Europe Fund 182		nn 🚅	· di		7		Korea-Europe Fund 24	3	-4.	, ,			•	Trust of Property Shares 769
	25	199	97		98	Schroder Korea Fund 236			25	96	97	98	Edinburgh Java 34	N ' '	93	94	95 9	6 97	_	Saillie Gifford Shin Nippon 813 1,000
cific Assets 3	38					Invesco Korea 250						. 1	hvesco Korea 38	36	. 33	~	30 :	MG 91	-	Welah Industrial 1,035
les show the result of	investing	£1,000	over	r diff	feren	t time periods. Trusts are ra	nked	on 3	-year	perfe	rman	nce.	Warning: past performance	e is :	not a g	uide	to fu	ture	perfe	rmance. For investment trust prices see main par
UK General	1 year (2) 3			Volatility		E 1-1 0 - 011	year (C)	3			labelisty '		■ Japan	1 year (			DayPro(+)			- 10-L
ng Claverhouse	1424 2181	2415	-5	3.8	2.0	Jupiter Primadona	1197	2119	3587	n	42	1.4	GT Japan	-	-					•
ry Keystone	1275 1936		_	_	2.4	TR Technology (Units)	1098	1783		3		4.1	Baillie Gifford Japan	88 92		109	-		0.6	Gartmore Scotland (Units) 1299 1703 1975 - :
ingh UK Tracker	1217 1806	8 2076		3.8	3.1	Baring Stratton	1329	1700		7		1.0	Edinburgh Japan	84			-		:	Shires Income 1430 1690 2169 4
Strategic	1093 1777	7 2042	15	3.5	2.5	RIT Capital Partners	1158	1610		19		0.8	Schroder Japan Growth	81		100	- 9		-	Darbinoor 1480 1657 2636 -7
	1266 1663	1956	15	2.7	3.6	Henderson Electric and General	1135	1591	2124			1.7	Flerning Japanese	78		102		7.3 6.4	-	Abtrust High Income 1574 1611 - 2
R AVERAGE	1197 1627	2152	-	3.3	3.5	SECTOR AVERAGE	1106	1430		-		1.8	SECTOR AVERAGE	70		95			0.6	Glasgow income 1337 1600 2215. 7 ; SECTOR AVERAGE 1356 1558 2100 . 7
K Capital Growt	ħ					■ International Gene	rol						E For Foot over to-					-	0.0	
er UK Growth	1120 1711		2	3.8	3.0	Personal Assets							Far East exc Jap			rai				Split - Capital
Blued Assets	981 1690				2.0				2406			1.8	Pacific Horizon	50		848		7.2	1.5	Scottish National Cap 4636 4722 7083 26 17
Sime ISIS	1182 1674			4.4	2.0		1234	1657		_		3.1	TR Pacific	50		1010		9.6	0.5	Gartmore Scotland Cap 2009 2726 3021 44 6
ort 2nd Endowment Policy	1134 1643			2.0	_		1247 1157	1646				3.0	Edinburgh Dragon	61		800	-	7.3	-	Henderson American C& Cap 1396 2309 2268 12
Special Values	1084 1569	-	11	_	1.2		1283	1642 1621		_	_	2.5	Hambros Smaller Asian	38			- 25	8.7	0.7	Fleming Income & Growth Cap 2200 2200 4800 23 6
OR AVERAGE	1089 1527				2.0		1184	1545	2023 1982			2.1 2.5	Abtrust New Dawn SECTOR AVERAGE	510 451		794 764		8.9	1.3	Митау Split Capital Cap 1621 2122 3808 15 6
														-101	. 400	104	•	6.2	1.1	SECTOR AVERAGE 1739 1819 3183 - 6
Smaller Companie						North America							Far East exc Jap	an.	Single	Co	uni	nv.		■ Split - Inc & Residual Cap Shares
CO English & Intl Irson Strata	987 2028				0.9		1320	1994	3807	12	4.4	-	New Zeeland	657		1416		5.1	3.1	TO Testerales &
	1091 1877			Sec. 15 m	0.1		1365	1963	2190	10	4.4	0.6	Aberdeen New Thai	325		467		8.0	4.0	60 D- E
re Smaller Companies	1033 1809				2.2		1361	1862	2128	6	4,6 1	1.6	Siam Selective Growth	371		534			7.0	Main all I
st Smaller Companies	1003 1693			-	2.5	US Smaller Companies	1174	1706	1744	14	4.8		Edinburgh Java	315	265	341	_	10.9	-	Kleinwort High Income 1667 2028 2415 6 6
	999 1571		_	-	0.7		1134	1617	_		4.3	•	INVESCO Korea	448		386		9.0	-	Henderson EuroTrust 1251 2028 2886 15 6
R AVERAGE	995 1344	1955	- 1	4.0	2.4	SECTOR AVERAGE	1102	1689	2179	-	5.1 1	1.2	SECTOR AVERAGE	428		517	-	9.8	2.2	Fleming Geared Income & Assets 1507 1943 - 15 5 SECTOR AVERAGE 1477 1724 2735 - 6
K Income Growt	ħ					■ Continental Europe							Emerging Morksh	_					,	111 114 2100 - 0
s Capital Growth	1339 1829	- 1	22 4	4.2	_			2196	4637	-4	3.8 0		■ Emerging Market							■ Split - Income
ondon	1364 1823				3.4							).7 1.8	Baring Emerging Europe Scudder Latin America		2303		4		-	Flights & Issues Inc 1206 2101 3167 - 4
Bar	1314 1658	2126	7 4	4.0	4.2					7			Templeton Latin America	1116	_		15	8.8		Jove Inc 1270 1627 1903 - 3.
and a serifacional	1180 1648		7 1	1.9	4.1	Fidelity European Values				_		1.2	Central European Growth Fund				17		0.4	M&G Recovery inc 1158 1575 1747 - 4.
Inc & Cap (Units)	1305 1647		6 2		4.2		1217						Latin American	1057	1245	****			~	Jupiter Geared Inc 1291 1554 1694 - 3.
AVERAGE	1220 1589	1996	- 2	3.4	5.0		1165			- 7			SECTOR AVERAGE	930				10.4 8.3	0.2	Henderson American C&I Inc 1247 1492 1563 2
nture and Devt	Can					M Den Europe												-	0.7	SECTOR AVERAGE 1143 1349 1603 - 3.
		5289 -		30	1.0	Pan Europe							Closed End Funds	5						Split - Zero Dividend
	1245 2651			3.6				1979			4.4 2		Capital Gearing	1145	1673	2123	3	23	0.1	Gertman Brit Inc 2 Ott 7
		3214 1			2.6		229		- '		12 2		Exeter Preferred Capital	1413		1719	29		0.4	Johnson Fry Europe Little Zero 1114 1522
ai ribad		2984 2				GCOTOR AVERAGE	234	1858	2289	- ;	3.8 2.		Invesco City & Commercial		1259	-	18	4,3	5.0	M&G Recovery Zero Div Prf 1007 1507 1995 3
	1136 2005			3.4									Scottish Value	1018			11		2.0	Frienda Prov Ethical Zero Prf 1986 1500 - 2:
t Development Fund Enterprise				4.3									London & St Lawrence SECTOR AVERAGE		1198				4.8	Henderson Euro Zero Div Pri 1150 1493 1581 - 25
Development Fund Enterprise	1094 1647												aco. or metrics	1169	1357	1848	-	33	2.4	SECTOR AVERAGE 1106 1394 1591 - 13
t Development Fund Enterprise AVERAGE						FE inc Japan							■ Property							**************************************
t Development Fund Enterprise AVERAGE I Income Growth						_ · - iiv vapaii							opoy							
t Development Fund Enterprise   AVERAGE t Income Growth s Trust of Scotland	1212 1622			3.6			670	919	1152 :	1 2	8 8	8 .	TR Property	1222	1500	2045				link treat results after for the sprint between buying and pulling prices and assesses and locome
t Development Fund Enterprise I AVERAGE I Income Growth Is Trust of Scotland ssets Ordinary	1212 1622 1209 1544	1513 1	5 3	3.6	5.1	Handerson Far East Income	670 735				LS 5.	-	TR Property Wigmore Property	1236		2619	_	5.4		limit treat results after for the spread between hoying and suffing prices and assures self income amountment front results are cutchalled on mid-resident occurs with not income relevance, in planting standard deviation of monthly price intersympts, for most beautiful to make it is made in the self-ances of the self-
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nt Development Fund Enterprise AVERAGE  t Income Growth s Trust of Scotland ssets Ordinary nternational	1 1212 1622 1209 1544 1104 1520	1513 1: 1927	5 3	3.6	5.1 3.7	Henderson Far East Income Martin Currie Pacific Foreign & Col Pacific Govett Oriental	735 688	865	1185 1 1206 1	6 6	1.8	.0		1066 1148	1506 1352	1454	20 · 18	5.2 6.0	1.1 2.9	describes the way these represents are dispensed around its everage and a 1 common treasure of the way the service and a 1 common treasure of the standard deviation means the monthly returns for a given tend atoms this variation and the
nt Development Fund Enterprise AVERAGE  t Income Growth s Trust of Scotland ssets Ordinary nternational	1 1212 1622 1209 1544 1104 1520	1513 1: 1927	5 3	3.6	5.1 3.7	Henderson Far East Income Martin Currie Pacific Foreign & Col Pacific Govett Oriental	735 688	865 767 510	1185 1 1206 1 980 1	6 6 7 6	.8 1. .3 2.	.0 1 .0 0	Wigmore Property Trust of Property Shares	1066	1506	1454 1594	20 · 18 16	5.2 6.0	1.1 2.9	described the and these programmed and discount around the part 3 years. A last's glander

#### Glossary

Performance: Tables like these are full of traps for the unwary. Trap 1: don't expect them to tell you which trusts will do best in future - they are merely a historic record. Trap 2: don't make minute comparisons of unit and investment trusts - the unit trust figures take account of the spread between buying and selling prices; the investment trust ones take mid-market prices in both cases. So comparisons flatter investment trusts.

of thumb, the more volatile a fund's progress, the higher the return inves-tors demand from it to compensate for the additional risk. Unusually volatile funds should be avoided by anyone their management expenses to capital. investing over the short or medium term or those who cannot afford big funds pages identifies those trusts losses. But investors who can afford to which charge to capital. Investment take a long-term view may want to trusts used all to charge expenses in their portfolio to spice it up.

Volutility: Shows the absolute variability of a trust's performance. As a rule unwary. Most unit trusts charge their management expenses against income. so the yield is net of expenses. But a recent rule change means that trusts are allowed to charge some or all of thus inflating the yield. Our managed have some high risk/high reward trusts against income, but some now charge some against capital.

Peps: Some, but not all, unit and investment trusts can be put into a general personal equity plan which shields investors against both income and capital gains tax. The Pep rules are that you can put £6,000 into a general Pep (and a further £3,000 into a single company Pep). To qualify for the full £5,000 general Pep allowance, a minimum of 50 per cent of a plan's assets must be held in European Union shares or qualifying corporate bonds. A trust which has more overseas investment, ment trusts look better than unit isfy different investment needs. but is still 50 per cent invested in shares, is non-qualifying and limited to a Pep content of £1,500.

Discount: Investment trust shares tra- Split capital trusts: Caveat emptor. If

ditionally sell for less than their you do not already know what they underlying asset value. The gap are, you would probably be wiser to between the two is known as the discount. In the 1974 bear market, dis-counts were as wide as 45 per cent and The traditional variety is relatively although they have mainly narrowed simple: income shares get all the to well under 10 per cent in recent income; capital shares get any capital years, they add an additional uncergrowth over the life of the trust. But tainty to investment trust share price nowadays splits are highly complex prospects. The sharp narrowing of the with several different types of security discount is another reason why invest- with differing rights, and simed to sat-

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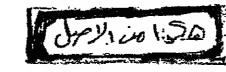
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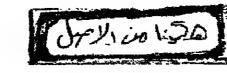
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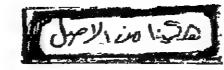
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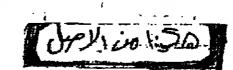
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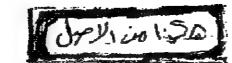
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#### LONDON STOCK EXCHANGE

### Footsie moves to striking distance of all-time high

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By Steve Thompson, **UK Stock Market Editor** 

The FTSE 100 index took another substantial step towards its previous all-time highs yesterday. shrugging aside a near threefigure decline on Wall Street overnight and responding to another influx of institutional cash and a strong opening by the

US stock market yesterday. Sentiment in London and the rest of Europe was lifted by generally positive performances by the Asian markets, with Tokyo standing out. However, dealers the possibility of a series of bids

tals played the main part in Lon- made London look more attrac- future, with the bank sector, long index finished the session 3.7 don's surge.

The prevailing theory was the institutions are full of cash

which has to find a home. "Asia is being ruled out for the obvious reasons. Continental European markets have outperformed London over the past year or so, as has Wall Street and both are seen as overvalued -

which leaves the UK." He added that the prospect of more share buy-backs, such as that proposed last week by Rio-Tinto, plus special dividends and

one market observer put it: "The London got a further boost from 100's best performers. a strong opening on Wall Street.

> with a net 97.3 gain at 5,263.1. hammering after a poorly- like the 250 index ran into pock-That rise left the index up 124.8, received Christmas trading or 2.4 per cent, over the week and update, this time from Argos, the only 67.7 away from its previous catalogue-based chain of stores. closing high, 5,330.8, reached on October 3.

on October 2.

As London closed, dealers were speculating on the potential for of poorly performing retailers turing more than half of the mar-

"weight of money" argument. As back of takeover speculation, represented in the table of FTSE sustained pressure all week.

Footsie ended a session featur- there were numerous casualties, about the Asian turmoil. ing much-increased turnover, with the retailers taking another

took a hard pounding, with ana- five-day period. The index is 104.2 below its pre- lysts focusing on the probability vious intra-day record, attained of cancelled orders from Asian to match recently high levels of manufacturers.

Burdened by its large content more takeovers in the near and engineers, the FTSE 250 ket's total.

ive. seen as the most fertile ground lower at 4.812.6. Unince the Floring After a morning lift on the for corporate activity, heavily 100, the 250 index has come under represented in the table of FTSE sustained pressure all week. dropping 52 points, or just over Outside the leaders, however, one per cent, reflecting worries

> The FTSE SmallCap, which ets of selling during the early part of the week, picked up yesterday, ending the day 6.0 higher The engineering sector also at 2,356.0, and up 7.82 over the

> > Turnover in equities continued activity, reaching 980m shares at 6pm, with FTSE 100 stocks cap-

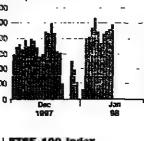




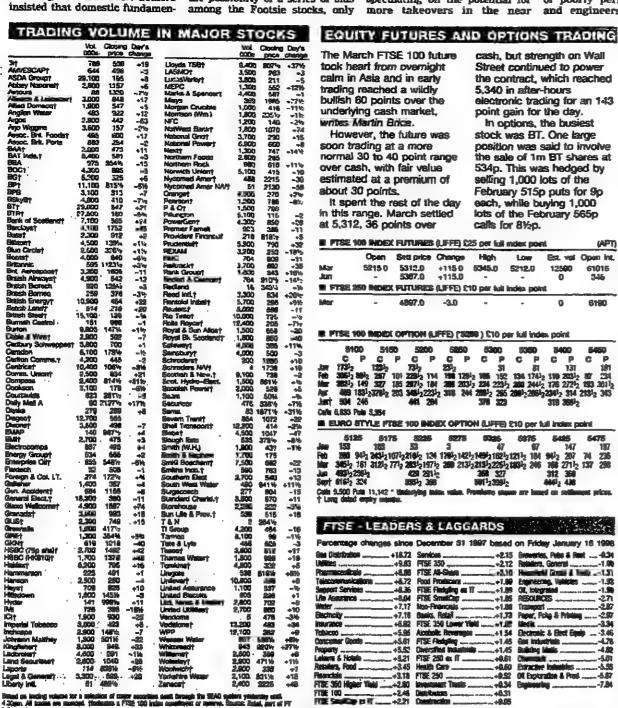


Long gilt/equity yld ratio 1.96





FTSE 100 Index
Closing index Jan 16 5263 1
Change over week+124.8
Jan 15 \$165.8
Jan 14 5106.9
Jan 13 5083.9
Jan 12 5068.8
High"
Low*4985.3
"Intra-day high and low for week



The March FTSE 100 future took heart from overnight calm in Asia and in early trading reached a wildly hullish 60 points over the underlying cash market. writes Martin Brice.

However, the future was soon trading at a more normal 30 to 40 point range over cash, with fair value estimated at a premium of about 30 points.

It spent the rest of the day in this range. March settled at 5,312, 36 points over

Street continued to power the contract, which reached 5,340 in after-hours electronic trading for an 143 point gain for the day. In options, the busiest stock was BT. One large

cash, but strength on Wall

position was said to involve the sale of 1m BT shares at 534p. This was hedged by selling 1,000 lots of the February 515p puts for 9p each, while buying 1,000 lots of the February 565p calls for 81/2p.

FTSE	106 INDE	FUTURES	(LIFFE) C	25 per ful	index por	nt	(APT)
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Mar	52150	5312.0	+1150	5345.0	5212.0	12590	61015
Jun	-	5387.0	+115.0	-	-	0	346
TYSE 250 NODEX PUTURES (LIFFE) \$10 per full index point							
Mar		4807 D	-2.0			0	6100

IR FTSE 100 INDESCOPTION (LIFFE) ("5280 ) \$10 per full index point

\$100 \$180 \$200 \$880 \$300 \$380 \$400 \$460 \$460 \$6 \$400 \$ Cafe 6.833 Pain 5.354 IN EURO STYLE PTSE 100 INDEX OPTION (LIFTE) \$10 per full index point

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#### Rumours drive BT higher

By Peter John and Martin Brice

BT hit a new high to make a gain of more than 7 per cent over the week with turnover reaching 29m shares, the heaviest volume for any stock in London.

Institutions, which have big cash holdings and are keen to shift into equities. have been buying the most liquid, heavily weighted stocks.

BT, which is largely stic in its exposure, has also been sought for its defensive characteristics in the light of the Asian crisis. The stock has outperformed the rest of the sector by 5 per cent and the FTSE All Share index by 13 per cent over the last month.

The shares were also bought earlier in the week after one broker highlighted the group's attractions to rival bidders. Yesterday they shrugged off a sell note from JP Morgan and rose 21 to

The hunger for consolidation in the sector shifted to Vodafone which jumped 34 to 483p, the best performance in the blue-chip index.

Manchester United was one of the most heavily traded shares in the market. as an investor sold a stake of almost 8m shares at 155p via an agency cross.

The stock gained 11/4 to 158p as the stake, which corof institutions.

The shares improved 74 to for 1998.

financial sector. Bank of Scotland gained 24 to 565p. while Barclays climbed 45 to

Argos was the worst performer in the FTSE 250. Its shares lost 63 to 442p following a trading statement that said like-for-like sales were down 1.5 per cent.

Asda raced up 8 to a record 195p as speculators continued to see the stock as a potential predator in the sector, focusing specifically on Safeway. The latter rose 11'4 to 366p.

Exploration and production stocks were marked higher, supported by a bounce in the oil price and positive comment on the sector in 1998 from Merrill

Lypch. Cairn Energy were 61/2 higher at 445p and Lasmo added 3 at 263p, but Hardy slipped 31/2 to 258p and

Enterprise 61/2 to 5481/20. in a 100-page note. Merrill highlighted the recent transformation of the UK exploration and production sector in 1997, which was driven by falling oil prices, poor returns and disgruntled

investors. Engineering stocks suffered their worst falls for some days as fears of the impact of Asian market turmoil found its way into prices, leading the sector to suffer the biggest fall in the market.

#### Siebe pushed lower

Siebe was the biggest faller in the FTSE 100. The decline of 47 to £10.47 was said to have received a push from disappointing results from Honeywell.

Most of the bigger slides in responds to that owned by the Footsie were suffered by the Abu Dhabi investment manufacturing exporters. Authority, was said to have with Bolls-Royce off 71/2 at been placed with a number 206p, GKN down 40 to £12.18, and GEC off 11 at 380p.

National Westminster Glynwed was off 13' to

£10.70 and led gains in the Allied Colloids, the speci- pany that has some 30 per at £16.71%.

#### NEW 52 WEEK HIGHS AND LOWS

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ality chemicals company. firmed 1's to 168'sp after the company produced what one analyst described as a "robust defence" against Hercules of the US.

The share price closed well New Zealand. above the original 155p offer

BTG, the intellectual property company, was one of gained 100 to £11.021, a the better performers in the FTSE 250 on a rumour that it is poised to announce a 640p. licensing agreement with General Motors for Torotrak. IT sector, helped recently by its next generation gearbox. comments from Merrill

### II CHIEF PRICE CHANGES

.ondon (Pence)			
Rises			
Assoc Br Foods	E00	+	17
BTG	7221.	+	40
Br Energy	454	+	22
.ogica	12871.	+	77%
onen	559	+	2 <del>6</del>
MMT Computing	880	-	25
lati Grid	290		15
lat West Bank	1670	+	74
Nord Anglia	319	+	39
Railtrack	592	+	35
odalone	483	+	34

Wyevale Gdn	30615+	16
Falls		
Albion	6277	121
Argos	442 -	63
BICC	144 -	131
City Centre	117% –	15
GKN	1218 -	40
Johnson Matthey	501% ~	22
McKechnie	395: 2 -	435
SIG	205!	20
Siebe	1047 -	47
Vickers	21415 -	161

cent of sales in Asia. The shares rose 4% to 17 in in volume of 350,000 after interest was sparked by a block of 2.4m shares traded at 11p on Thursday.

A profits warning from City Centre Restaurants took the shares down 1512 to 117%p after the company talked of a disappointing performance from its pizza

Elsewhere among smaller companies. Nord Anglia rose 39 to 319p after the educational services company

announced an expansion in FI, the information techprice and suggested an nology services group, conincreased price of 175p tinued to bask in the afterwould be more appropriate. glow of strong results announced on Thursday and

record high. A rights issue Positive sentiment in the The shares rose 40 to 7221/cp. Lynch's smaller companies Outside the SmallCap, one team, spread to others in the

recovered strongly as inves- 240p after ABN-Amro Hoare of the biggest rises was sector, including Logica, up tors gained confidence in its Govett cut its forecast for achieved by GBE Interna- 571 p to £12.671; with the resilience to Asian turmoil. the stock from 239m to 279m tional, the fledgling tobacco best rise in the FTSE 250. machine engineering com- and Sema Group, ahead 311:

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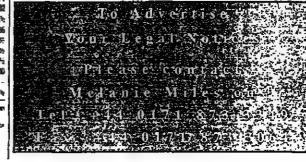
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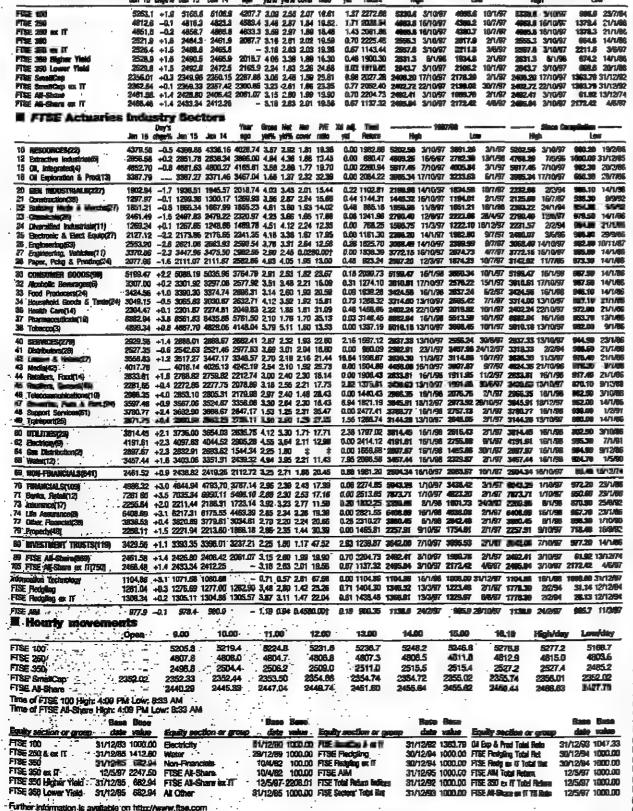
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#### TRADEPOINT INVESTMENT EXCHANGE

Daily turnover for 16/01/1998 7.890,400

Value: 927,362,906





Primer submination is appliable on http://www.fise.com

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Exchange and The Financial Times and are used by FTSE international under licence. It Sector P/E ratios greater than 80

and first colvers greater than 30 are not shown. It values are negative. The calculation basis for the total return series was changed from gross to net on 17/797. For Quarterly Review Changes see website www.fise.com. Deletions: Britton

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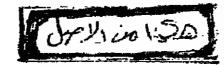
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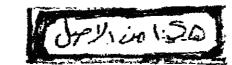
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#### World Stock Markets

### Dow rebound Nikkei surges on hopes of government action takes market above 7,700

AMERICAS

Wall Street took its cue from Asia with leading stocks showing strong gains at midsession, writes John Labate in New York.

The Dow Jones Industrial Average roared past 7,700 to stand 87.19 or 1.1 per cent higher at 7,778.96 by early afternoon as traders prepared for a long weekend. In contrast, bond prices plunged in an abbreviated trading session. The US bond and stock markets will be closed on Monday for a pub-

The broader Standard & Poor's 500 index was also higher, up 12.97 to 963.70. The Nasdaq composite index was 16.01 higher at 1,563.07. Among Dow components.

cyclical stocks rebounded from Thursday's selling, as International Paper gained \$1% at \$43% and DuPont rose \$1% at \$55%. General Electric shares rose \$1 4 to \$74 after the completion of an acquisition by GE Capital.

Sun Microsystems rose \$111 to \$44% after Paine-Webber and Merrill Lynch raised the stock's rating. Sun beat earnings expectations late on Thursday when it released quarterly results. But some stocks continued

under pressure. Retailer Nordstrom plunged more than 7 per cent to \$45% after the company warned that fourth-quarter earnings were below analyst expectations. Micron Technology also

lost more than 5 per cent to \$29% on comments by a Merrill Lynch analyst about the stock's price level. US Treasury bond prices

fell. The benchmark long bond was down 1 to 10411, yielding 5.792 per cent. TORONTO deftly sidestepped a weak morning for

the heavyweight banking sector to pash ahead strongly in line with the early bounce on Wall Street. The 300 composite index was up 44.79 at 6,371.80 at noon. Banks fell on interest rate fears, but broader-based leaders came in for solid buying while resource stocks bounced on the back of a better day for bullion.

Barrick Gold added 50 cents at C\$26.40 and Placer Dome 60 cents at C\$18.20. Among industrials, Alcan Aluminium surged C\$1.20 to C\$38.90. Canadian Pacific gained 50 cents to C\$35.00 and BCE 15 cents to C\$47.60. in banks, Royal Bank of Canada lost 60 cents to C\$74.15 and Bank of Mon-

treal 45 cents to C\$57.75.

### São Paulo gains ground

Latin American markets is backing off. There is no mostly tracked Wall Street's shortage of buyers," said one solid start, although Mexico pared initial gains after a peso rally showed signs of 2.7 per cent at 9,386. running out of steam.

talk of early position-closing ahead of the long weekend

bullion price lifted the sec-

broker. At midsession, the Bovespa index was up 246 or In MEXICO CITY dealers

SAO PAULO performed said volumes were duli and strongly through a morning the main problem had been of lively trade. There was the peso which fell back against the dollar. The IPC index was up 16.48 or 0.4 per

Firm bullion lifts golds 6%

feature in Johannesburg golds index was 45.5 higher where a better day for the at 793.8. The all-share index added tor by more than 6 per cent. 44.6 to 5,857.9 and industri-Vasi Reef rose R13 to- als put on 12.2 at 6,958.9.

Far East equities

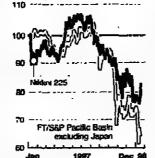
TOKYO stocks surged above 16,000 for the first time in nearly a month, buoyed by expectations that the Japanese government would to support the economy, writes Michiyo Nakamoto

ASIA PACIFIC

The benchmark Nikkei Average rose 924.47, or over 6 per cent, to close at 16,046.45 in heavy trading. It was the first time since closed up over 16,000, a psychologically important level.

Growing indications that the government is leaning towards further economic stimulus measures lifted sentiment. There have been a number of statements from government officials over the past few days suggesting the ruling Liberal Democratic party is considering bringing forward public works spending as well as allowing banks to revalue their property holdings.

The rise of the yen against the dollar yesterday also helped to draw buying from



foreigners. During the day. the Nikkei moved between a low of 15,193.11 and a high of 16,062.54. Volume rose to a firm 700m shares against 409.48 on Wednesday. The market was closed on Thursday, a national holiday, The Topix index, which covers all issues, rose 52.60

Attention was focused on banks, which would benefit from a revaluation of their held at book value. Among surged Rp175 to Rp500 on would result in improved a bearish shadow.

to 1.201.71.

the top ten most actively traded issues, Sakura Bank gained Y55 to Y408 while Fuji Bank rose Y70 to Y654. Industrial Bank of Japan climbed Y37 to Y891 and Mit-

suí Trust Bank Y48 to Y297. were also favoured. Toshiba rose Y61 to Y585 and Hitachi Y53 to Y1,000. Steel issues regained lost ground in heavy trading. Nippon Steel, the most actively traded issue,

Sumitomo Metal Industries rose Y26 to Y180. JAKARTA jumped 6.9 per cent following government pledges of budget cuts and trade deregulation as part of an IMF rescue agreement, Banking stocks and Telkom were the target of buying in very active trade. The composite index rose 26.68 to

increased Y15 to Y165 while

Ro716bn. The prospect of economic reform sparked a resurgence of bank merger talk and the sector pushed strongly property holdings which are higher, Bank Internasional

109m shares traded. Bank terms for Thailand's \$17.2bn Negara gained Rp75 to Rp550 rescue package. and Bank Dagang Rp25 to Rp300. Telecoms heavy- rally with a rise of 15.8 per weight Telkom rose Rp450 to Rp3.550.

BANGKOK shared fully in Bt10 to Bi68.50. the upturn in sentiment across most of the Pacific

THE WEEK'S C	HANGES
	% Change
Jakarta	+17.9 +9.7 +0.3 +7.0 +5.9

Rim, adding 18.88 or 5.2 per cent to 383.01 on the SET index. However, turnover stayed modest at Bt3.1bn.

413.92 in turnover of ing for the fourth day running had provided most of the upward momentum. There was also talk suggesting next week's Washington ministry and IMF officials

The banking sector led the cent. BEC World gained Bt16 to Bt210 and Bangkok Bank

SYDNEY rallied from early losses as Tokyo and most other Asian markets pushed strongly higher. The All Ordinaries index closed up 29.5 or 1.1 per cent at 2,614.0. Golds were among the best performers with the sector gaining almost 3 per cent. Normany Mining jumped 8 cents or 5.7 per cent to A\$1.48. Retailers stayed firm. Coles Myer rose 6 cents to a record high of A\$7.85.

HONG KONG rallied strongly as bargain hunters returned, and the Hang Seng 17.88 or 3.5 per cent lower at index closed 321.06 or 3.7 per cent higher at 8,900.04, off a

Turnover was on the low side at HK\$8.5bn, with investors still cautious on the outlook for interest rates. Fears that smaller companies faced debt financing problems later this year also cast

Among individual stocks Sino Land rebounded 14 cents to HK\$2.05 in heavy trade after Thursday's 45 per cent plunge. However, Sino Land's majority shareholder. Tsim Sha Tsui Properties.

fell 85 cents to HK\$8.95. China-linked stocks were under pressure as buyers feared a slowdown of the Chinese economy and were awaiting fresh incentives to buy. The China-Affiliated Corporations index lost 0.4 per cent and H-shares fell 2.5

SEOUL declined for the first time this week after taking a rollercoaster ride on foreign buying and profit-The composite index closed 488.10, off a high of 533.43. The exchange reported foreign net buying reached Won152.6bn, the largest day's business since the beginning of the year, while Korean institutions' net sell-Trade volume of more than 200m shares was the largest

in the exchange's history.

### Asian revival and solid Wall Street boost bourses

#### EUROPE

The better tone in Asia and solid start on Wall Street pushed PARIS up to within a whisker of its best of the day with the CAC 40 index gaining 43.34 to 2,976.09.

Volume stayed on the dull side although there was good buying among some of the recent slower performers. LMVH, Usinor and Thomson-CSF all surged more than 5 per cent.

LVMH, which has a heavy sales exposure to Hong Kong, rose FFr52 to FFr975 on the better turn of events across Asia. Usinor added FFr5 or 6.5 per cent to FFT81.90 and Thomson gained FFr10.70 to FFr194.

Paribas recovered from initial weakness following a Franch press report suggesting that any takeover had been made more difficult by the bank's recent purchase of the Cie Bancaire and Cetelam minorities.

Paribas could go on the takeover trail itself. Paribas, down FFr5 at one stage.

Techs leader SGS Thompson continued to improve ahead of next week's results statement. The shares, which stood at FFr605 last August, added FFr3.40 to FFr360.9 for a net gain this week of 11 per cent.

Bouygues soared FFr43 to FF7816 on upgrades by Cheuvreux de Virieu and Société Générale. Bollore which, according to market rumour. is eyeing control of part of Bouygues' activities, advanced Fr48 to FF7826. FRANKFURT took its lead

from the better showing in Asia and Wall Street's early gains and the Xetra Dax index climbed up through the 4,200 point level to close 76.02 better at 4,216.24. Deutsche Telekom recovered from an early tumble to

close 81 pfg firmer at DM32.

results sent the shares down 4.5 per cent at the start. MILAN extended its record-breaking run into a The report hinted that third straight session as dealers continued to report heavy flows of money into equity mutual funds, boost-

FTSE Actuaries Share Indices Markets 2.21 0.00 0.00 0.00 0.00 -0.69 +10.26 +22.07 +14.29 +25.25 +24.71 +1.13

in shares. The Mibtel index upward revision of the marended 323 higher at 18,368, ket's weighting by JP Moroff a record intraday high of

Olivetti gained L111 or 7.7 per cent to L1,547 as investors bought the shares ahead Lower than expected 1997 of its capital increase on the market's total business. Monday, Banking stocks Analysts attributed the were strongly back in activity to dividend-related favour, with Banca di Roma ending L148 higher at L2,448. MADRID finished at an all-time high for a second

successive session, boosted

gan. The general index was

Telefonica gained Pta90 to Pta4,285 on record volume of 30m shares, just under half activity to dividend-related trades.

ZURICH rose 2 per cent on the back of a firmer dollar and the SMI index closed 125.5 higher at 6,274.0.

up SFr145 at SFr14.395 as its report of an 18 per cent rise in 1997 sales was in line with expectations. Novartis. which is to report sales data next Thursday, benefited from switching out of Roche which took its shares up SF186 to SF12,401.

SAir Group fell SFree to SFr1.875 after SBC confirmed market rumours that it had cut its recommendation on the airline after its shares had achieved its price target. Nestlé put on SFr85 to

SFr2,209 as Credit Suisse First Boston raised its price target to SFr2.500 and reiterated a buy recommendation. AMSTERDAM strongly in good volume with investor sentiment

buoyed by a broker upgrade for a leading bank and and a bullish report suggesting a wave of share buybacks could shortly be in train. The AEX index ended up 16.29 at 938.05 after ABN Amro issued a survey show-

ing that more than a third of Dutch companies are considering buying back equity as a means of making "conservative financial structures"

work more effectively in the interests of shareholders. KNP BT topped the day's rankings, rising Fl 2.40 or 5.5 per cent to FI 46.20 as investors made a number of snap selections about which companies may make an early move to unveil plans for a share buyback.

ABN gained 70 cents to Fl 40.80 in volume of 22.4m shares after Merrill Lynch upgraded its intermediate rating from "neutral" to

STOCKHOLM finished almost I per cent higher after a see-saw day. The general index ended 27.31 better at 2,909,37. Ericsson rose SKr6.50 at SKr310 as industry sources said the mobile phone group would unveil a SKr8bn Chinese order on

WARSAW recovered almost all the ground lost in Thursday's fall, helped by a surge in brewer Okicim. The Wig index closed 68.9, or 5.1 per cent, higher at 1,420.1.

Written and edited by Michael Morgan, Jeffrey Brown, Jone

#### ing hopes for further gains by futures expiries and an LONDON STOCK EXCHANGE - DEALINGS

contangle volume Last axes should not be regionated without permission.

The data is disheured by Edech, part of Financial Times Information.

Details, relate to those sociations not included in the FT Share Information Services. The prices are those as which the business was done in the 24 hours up to 5.15pm on Taursday, they are not in order of location but in secending order which denotes the days highest end cheest trades. For those securities in which no business was neorgied in Thursday's Official List, the latest recorded business in the lour previous days is given with the relevant date. The size of laddedual deals are rounded to the nearest thousand and represented within perwitheses, where available. # Burgalos at special prices. \* Bargalos done the previous day.

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Listed Companies (excluding investment (EXCIDING INVESTMENT TRUSTS)

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Energy Capital Investment Co PLC 6% Crv
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London Financo & Investment Grop PLC Wha
to Sub for Ord - 12 (15.168)
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Section Pack Hudge PLC 109% int May Deb
Section PLC ADR (1:1) - 1.27 (14.688)
LucanNarry PLC ADR (1:1) - 1.27 (14.688)
LucanNarry PLC ADR (1:1) - 1.25 (14.688)
LucanNarry PLC ADR (1:1) - 1.25 (14.688)
Migrationic Hudge PLC Ord 200 - 108 (5)
18 (12.087)
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MEPC PLC 69% Une Ln 80x 2000/05 - 1029
(12.688)
MEPC PLC 109% Une Ln 80x 2000/05 - 1029
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MEPC PLC 109% Une Ln 80x 2000/05 - 1029
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South Ambie investment Fund Ld Ond She
IROL1 = (02.1858)
Saville Gordon (J.) Group P.C. 74% 1st Mig
Deb Sh: 2023 - 105% (12.1858)
Schneides (S.) & Son Ld 6% Cum Red Pri
(2000 or aher) £1 - 78 (03.1858)

Scholl PLC 8'46; Cum Red Pri 2001/08 £11119 \$1(3,1436)
Scottian & Reseascie PLC 8.425% (Net) Cum
PF £1-113 (14,1456)
Scottian & Reseascie PLC 8.60% Chr Ums Ln
88: 2007 - 102 £5 \$1(3,1456)
Scottish Martingolism Property PLC 10% Ins
Ing Deb St. 2016 - 134% (13,1496)
Seasce PLC 4.5% (Imity 7%) 'A'Cum Pri £1122 (12,1456)
Seasce PLC 8.76% (Imity 12,5%) Cum Pri £1122 (12,1456)
Seasce PLC 8.76% (Imity 12,5%) Cum Pri £1122 (12,1456)
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Seasce PLC 9.5% (13,1456)
Seasce PLC 9.5% (14,1456)
Seasce PLC 9.5% (14,1456 Scholl PLC 876% Cum Red Pri 2001/05 £1 -

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Programmen Preferred inc St PLC Ord 10p-6 (6) Dotal Group PLC 474% Perp Deb Stk - 70 (0S.hafe) Tops Estates PLC Was to Sub for Ord - 6 (0S.la69) Tops Estates PLC 717% Cre Une Ln Stk 2020 - 127 (08.1886)
Tops Estates PLC 71% Crw Uns Ln St. 2020 - 127
Tops Estates PLC 10% 1st May Deb Six 2011/16 - 126.88821875 (08.1881)
Transport Development Group PLC 91% Uns Ln St. 652800 - 112 (14.1889)
Ln Str 114.1889)
Ln Str 114.1889
Ln Str 114.18

Whethread PLG 41% Red Deb Stl. 99/2004

Whatmed PLC 41%, Red Deb Sti. 99/2004 - 94 (03.69)
Whitmed PLC 8.125% Deb Sti. 2021 - 118.23
Whitmed PLC 111/h, Deb Sti. 2011 - 142.96
Whitmed PLC 111/h, Deb Sti. 2011 - 142.96
Whitmed PLC 111/h, Deb Sti. 2011 - 142.96
Whitmed PLC 101/h, Unit Ln Sti. 90599 - 99/h
(12.126)
Whitmed PLC 501/h, Unit Ln Sti. 200005 - 108 (12.126)
Whitmed PLC 8.75% Crw Cum Red 2nd Pri. (12.126)
White Compon Ende PLC ADR (8.1) - 11 41 (14.128), 34 (14.128), 35 (14.128), 36 (14.128), 36 (14.128), 36 (14.128), 37 (14.128), 38 (14.128), 39 (14.1288), 39 (14

Voung & Co's Brewarty PLC 9% Curn Pri 21-12(1):2869)
ZENECA Group PLC ADR (3\*11-107.78
(14,1889)
INVESTMENT TRUSTS

Assa Healthcare Trust PLC Wis in Sub for Ord - 2\*12(12,1898)
Berkers for the PLC 9% Deb Six 2023 - 116
(14,1898)
Brisch Empire Sec & Gain Ter PLC 10\*4% Deb Six 2011 - 129 (13,1898)
Calmporn B S. Inv Ter PLC Uts (Compr 1 Will No. 1 - No. (0) - 150 (13,1898)
Calmporn Demanusication IT PLC Wis in Sub for Ord 50p - 15 (13,1898)
Calmporn Demanusication IT PLC Wis in Sub for Ord 50p - 15 (13,1898)
Calmporn Demanusication IT PLC Wis in Sub for Ord 50p - 15 (13,1898)
Calmporn Demanusication IT PLC Wis in Sub for Ord 50p - 15 (13,1898)
Calmporn Demanusication IT PLC Wis in Sub for Ord 50p - 15 (13,1898)
Cally of London Investment Trust PLC 6\*4%
Deb Six 2021 - 120 (14,1868)
City of London Investment Trust PLC 6\*4%
Deb Six 2021 - 148 (12,1868)
Editourph Small Companies Trust PLC 714%
Deb Six 2022 - 112\*9 (08,1869)
Remang Casverhouse Int For PLC 11\*5 Deb Six 2014 - 147\*8 (12,1868)
Permang Casverhouse Int For PLC 11\*5 Deb Six 2014 - 147\*8 (12,1868)
Permang Geated Growth Int Ter PLC Units (Comp 10 13% Cum Pri & 9 of 500)
- 181 (14,1868)
Permang Casverhouse Int For PLC 9\*4% Deb Six 2014 - 147\*8 (12,1868)
(Comp 10 13% Cum Pri & 9 of 500)
Geated Inc Int Ter PLC New Int Sits 25p - 58\* (11)
Georetic Strategie Int Ter PLC 9\*4% Deb Six 2017 - 134\* (19,18,189)
Reinnent Chairer Int Ter PLC 4\*2% Cum Pri Six 14,1868)
Reinnent Chairer Int Ter PLC 4\*2% Cum Pri Six 104 (13,1868)
Sometic Eastern Int Ter PLC 4\*2% Cum Pri Six 64 (13,1868)
Sometic Eastern Int Ter PLC 12\*4% Deb Six 2020 - 1415 (11)
Somitic Eastern Int Ter PLC 12\*4% Deb Six 2020 - 145 (13,1868)
Sometic Eastern Int Ter PLC 12\*4% Deb Six 2020 - 145 (14,1868) (14,1869) (14

(14,898) % (14,898) % (14,899) % (14,898)
Shirtes Income PLC 11% Crw Uns Ln Sk.
2002/2004 189 (14,898) % (14,898)
Shirtes Smaller Companies PLC Wire to Subtor Ord - 507 (12,898)
Smaller Companies PLC Wire to Subtor Ord - 507 (12,898)
Temple Bar Inv 18 PLC 6% Crw Uns Ln Sk.
2002 - 135 (14,898)
Thropmonon Trust PLC 7,25% Crw Uns Ln
24 (2003 - 95 (12,898))
Thropmonon Trust PLC 12%% Ore Sk. 2010
- 145 (08,898)
Value Realissmon Trust PLC 1.4% Crw Uns
Ln Sk. 2006 - 135 (14,898) 5 (14,898) 5
(14,898) 5 (14,898) 5 114.1989 5 (14.1986) 9 (14.1986) 9 (14.1988) 5 (14.1986) 8 (14.1986) 19.00 (14.1986) 9 (14.1986) 9 (14.1986) 9 (14.1986) 9 (14.1986) 9 (14.1986) 19.00 5 (14

Alternative Investment

Market
Bond International Software PLC Ord 1p - 67
(13489)
Fartake Group PLC Ord 51 - 210 (13499)
Heartities Brewery PLC Ord 5p - 310
(14486)
Heartities Brewery PLC 'After Vig Ord 5p - 260 (14498)
Keyssone Software PLC Wis to Sub for Ord - 23 (14498)
OrmiNede PLC Ord 1p - 1 125 (14486)
Sira Business Services PLC Wis to Sub for Ord - 1 (054896)

years of rising profits and deserved to be valued at a

premium to the market.

Even on a market rating.

Schroders said the shares

were worth 157p on the com-

pany's forecast. It urged

investors to reject Hercules'

Allied Colloids also said

plants would produce a sig-

nificant increase in capacity

over the next five years. The

company would have the

potential to increase sales by

\$25m in 1999, rising to \$82m

defence was strong enough to prompt a higher offer

pre-tax profits forecast for

range of brokers' expecta-

tions but some increased

their forecast for the follow-

Analysts said that the

by 2003.

cash offer of 155p a share.

### Colloids outlines growth strategy



David Farrar: has completed 'process of change'

By Roger Taylor

Allied Colloids, the UK chemicals group, yesterday hit back at the £1.1bn hostile bid from Delaware-based Hercules by forecasting strong profits growth this year and outlining strategies to drive further increases in

the future. that measures to improve Allied Colloids said that productivity at existing profits to March 1998 would rise 36 per cent to £74m and identified a further £11.5m basis would lift profits to £84m before allowing for

David Farrar, chief executive, said the company had change" since be became chief executive in 1995 and He added that the bid had "brought home to everyone" the need to change.

Schroders, advising Allied Andrew Stott of Barclays Colloids, said that the company could point to two whether the £11.5m of closing date.

savings could be converted ever, he raised his estimated fair value bid price to 180p. The shares closed up Tip at 169 in vesterday.

Hercules described Allied Colloids statements as "predictable and uninspiring adding that the cust savings identified by the company would be lost to price

"An effective, ongoing cost improvement programme is pace with the rest of the industry and combat future margin erosion," it said.

Hercules also pointed out that £4.8m of the £11.5m savings came in the form of raw material costs savings, which could benefit competitors as much as Allied Hercules has extended its

offer until January 23 and had received acceptances for 0.96 per cent of Allied Colloids' shares at the last

### Argos warning | CPF in talks with after drop in Christmas sales

By Peggy Hollinger

Argos shares fell more than 12 per cent yesterday as the high street catalogue retailer ny's methods of retailing issued its third profits warning in just over a year and revealed a drop in sales over the crucial Christmas period.

The company's shares tumbled 63p to 442p. It marks the lowest level in more than two years for the former stock market darling. Analysts said the trading statement, which came at the end of a grim week for UK retailers, was far worse

than expected. "It shows a 1.5 per cent fall in sales in the run-up to Christmas which is against a very weak base," said one analyst. Argos shares tumbled 15 per cent in January. five weeks to December 27. last year when it first largely because of a 5 per warned of a sharp slowdown cent decline in three core

Analysts' 1997 profit expectations were cut by some £13m (\$21.2m) to about £132m, before the £7m provision announced yesterday to cover cost-cutting measures. with 1998 forecasts pulled back from about \$160m to £140m. Some said the statement raised questions about the manner in which Argos

"It is a very inflexible modus operandi," said one. "They have to fix the catalogue ahead of other retailers and set the product

Dissidents win

banks after dispute

Compagnie de Participations Financières (Luxembourg). Bob Stewart, Argos the Aim-listed company which invests in European finance director, rejected suggestions that the compaproperty, yesterday said it was having funding difficulties and was holding urgent were unwieldy or outdated. talks with its bankers with However, he accepted that Argos would have to make no certainty of success improvements to customer

Its shares fell by 190p, or 40 per cent, to 307%p. Directors could not be reached for comment yesterday. The Luxembourg-based

would start in all stores next company said the difficulties Mr Stewart defended stemmed largely from a dispute with a shareholder, the Argos's performance, which Nurnberg Company, as trustee for a charity, the December 27 ahead by 9.5 Numberg Trust. According to a statement from CPF. Stefan Schepers, the trust's representative, had written to the company's bankers on a comparable basis in the and suppliers informing accept the resignations of them that no instructions

signed by current directors appoint new directors. Grant would be regarded as valid by a future board.

Mr Schepers is listed as the chairman of CPF in the Hemmington Scott Company

significantly affected the situation of several group cominter-relationship between group banking and other business relations in the light of these difficulties has caused the board to conclude that increased liquidity must be sought as a matter of urgency. The directors of CPF are discussing these matters with their principal bankers but there is no cer-

tainty of success The company has called an extraordinary meeting for February 6 to approve restructuring proposals,

Thornton Luxembourg, the company's auditors, have resigned, saying they are only prepared to work with the existing board.

CPF said that unless it had the support of its bankers and the restructuring proposals were approved, "continuity of group companies is day to day, and depends entirely upon future asset sales, which continue to be much more difficult than anticipated." Two directors, Mr GJ Wilson and Mr A McGivern, have tendered their resignations with effect from December 31 1997. The company said this was done to reduce costs.

Neill Clerk Capital, the company's Aim-nominated adviser, has not received copies of the refinancing plan. The plan was prepared by the directors without refthe existing directors and to erence to Neill Clerk it said.

### Sidir set to take control of former parent Pentex

Sibir Energy, the Aim-listed oil group, is in talks about taking over Pentex Energy, its former parent.

The discussions started after a fall in the price of crude oil forced Pentex to abandon an agreement with Enron, one of the world's largest integrated natural gas and electricity groups. Pentex, which has a 40 per cent stake in Sibir, agreed in

November to sell a third of its UK oil production to Enron for the next eight years. But the price of crude oil has since dropped by almost 20 per cent, and Pentex has been advised to

merge with Sibir instead. A takeover by Sibir would be an all-paper deal. Henry Cameron, chief executive of Pentex and Sibir, said yesterday. "It would be our bope to a placing and open offer.

soon, in days rather than weeks," he added

Mr Cameron would remain chief executive of the enlarged company. Pentex set up Sibir in 1996 and the two companies still share some management facilities. Sibir, which is capitalised at £157m, is worth more than its former parent. Mr Cameron said yesterday that Sibir was Pentex's "most

valuable asset". Sibir said its future was Ugranest, a company that owns oil fields, to 31 per cent late last year. The purchase enabled Sibir to accelerate its strategy of developing large fields in western Siberia. Sibir said at the time it would raise £45.4m to

fund the acquisition through

through a rights issue. Yesterday, the company said it would enlarge that rights issue to raise £7.67m. Pentex said this would let it take up its entitlement to the Sibir "it is really disappointing that after a great deal of

work with Enron, external

its deal with Enron it dis-

closed a plan to raise \$5.4m

factors meant we could not proceed," Mr Cameron sald. Enron had agreed to buy "transformed" when it an 11 per cent stake in Penincreased its holding in tex and said it would provide up to £70m of financing. Pentex had also planned to issue warrants, but said yesterday that, since the deal with Enron had been abandoned, the warrants issue would

also be withdrawn. Sibir shares closed up 21/2p to 44p, and Pentex shares

#### Richards battle The company did not reveal the precise voting figures, but the dissidents had

By Robert Wright

A bitter battle over the board composition of Richards, the Aberdeen-based textiles manufacturer, ended yesterday with victory for dissident shareholders at an extraordinary meeting. M&G and Invesco, which

hold 28.8 per cent, called the EGM because they were unhappy with the performance of the company. which has made pre-tax losses in each of the past six financial years. The dissidents, advised by

Rutherford Manson Dowds, an accountancy firm, wished to remove Ray Dinsdale, chief executive, Brian Gilbert, chairman, and Fred Dalgarno, a director.

They proposed Ian Lakin. a business consultant, as chairman, David Staveley, a former manager of divisions with Coats Viyella, as chief executive, and Graham Sharp, a corporate financier, non-executive director.

The company said yesterday that the three targeted directors had resigned "baying regard to the wishes of

The new directors took up their posts immediately.

#### Compco sells **Farringdon Point**

Compco. the property investment and development company, has sold its free hold interest in Farringdon Point, London, to Scottish Life Assurance for £4m, a net profit of £1.3m. The building produces an annual income of £357,000.

said some weeks ago in a letter to shareholders that they had been promised an almost unbeatable 46.3 per cent of the shares.

service. The group was trial-

ing a home shopping opera-

tion which, if successful,

year at a cost of £12m-£14m.

showed sales for the year to

per cent. Comparable sales

However, sales in the third

quarter had been flat on last

year, and 1.5 per cent lower

product areas - toys jewel-

lery and small electricals.

These ranges account for 50

per cent of sales in the

run-up to Christmas. But Mr

Stewart said the group had

held or improved market

share in all but the toy sec-

tor, while all markets had

There was also some evi-

dence that consumers were

deferring purchases until

after Christmas, said Mr

Stewart. Like-for-like sales

were 11 per cent ahead in

been weak overall.

were 3 per cent ahead.

The dissidents also wished to consider redevelopment of Richards' main Aberdeen factory, an option the existing management considered impracticable because it is a listed building.

Redevelopment and the building of a new factory would be more expensive than staying put, the board had said.

The argument became particularly unpleasant after the targeted board members claimed in a letter to shareholders that Mr Staveley's

CV was misleading. It cast doubt on the accuracy of figures given for per-formance of Coats Viyella in Australia under his management, and of a sportswear manufacturer where he was

chief executive. The dissidents angrily denied the claims against Mr Staveley, saying figures given by Richards did not which Mr Staveley was responsible.

### Glynwed hit by fears of manufacturing slowdown

Forecasts of a slowing in UK manufacturing led to a profits downgrade for Glynwed International yesterday despite the engineering group's sale of a further three businesses in its attempt at repositioning.
The shares fell 1314p to 340p after Glynwed's forecast profits for next year were

downgraded by broker ABN Amro Hoare Govett. Colin Campbell, engine ing analyst, said Glynwed's pre-tax profits would stand at £79m (\$128.9m) in 1998, £10m lower than previous forecasts and £7.3m lower than last year's pre-tax prof-

s before exceptionals.

Leavlite Electropaint, Iso-He said: "This year is Systems and PTFE Fabricaits before exceptionals. going to be bumpy as manufacturing slows in the UK. with lower volumes and more import penetration. Glynwed has disposed of its

poorly performing areas, but

the majority of its earnings still come from the UK." Yesterday's sale of three subsidiaries brings Glynwed's total disposals to 16 companies over the past 18 months, representing turn-over of about £170m. The most significant sales were Glynwed Foundry Products and Wednesbury Tube, the copper pipe producer which

tors, which all serve construction markets, were sold

Glynwed has now renamed its consumer and construction division, which is led by its successful Aga-Rayburn and Flavel-Leisure cookers businesses. The division. now called consumer and food services, is one of Glynwed's key operations along-

side its pipe division.
Glynwed said it would seek acquisitions of up to £100m in consumer products and pipe systems, as part of a strategic shift under Tony Wilson, its new chief execu-

0.124L 1.09 3.1L 2.38 British Bloodstock ..... 6 mtrs to Sept 30 25 (2.38) 7.27 (1.92 ) ..... 6 mths to Dec 31 Yr to Oct 31 144 B (136.5 ) 6 mg/s to Oct 31 128.6 (126 ) (25 ) (0.011 ) 8.3 0.25 0.67 0.066

than 300 **BZW** jobs in London

CSFB to

cut more

More than 300 London-based staff in the BZW businesses bought by Credit Suisse First Boston would lose their jobs, the Swiss-owned investment bank said vesterday as the affected individuals were called in to learn their fate.

CSFB would only be keeping about two thirds of the 960 employees which came advisory and UK and European equities operations, according to Christopher Carter, head of European corporate and investment banking.

The bank yesterday made redundant more than 30 staff in the corporate advisory business, whose purchase it completed last month. It summoned more ties research, sales and trading operations to individual

This began a "period of consultation" which, for most, will end in redundancy. The timing of departure may depend on when CSFB completes the final step of the lengthy purchase process, which could be as late as April.

More than 100 of the former BZW staff did not face any uncertainty yesterday because they had signed up for retention packages announced. CSFB said those packages would add £50m (\$81.5m) in costs to the 2100m it paid Barclays for the European businesses. After integration costs, CSFB expects to have made a net investment of £175m.

Earlier this week, CSFB bought a few parts of BZW's equities operations in Asia and agreed to hire staff from some other parts of the business. It plans to take on 200 staff in all. leaving at risk the 500 BZW staff in the region not included in the

The CSFB cuts pale in comparison with those shortly as a result of the planned merger between Swiss Bank Corporation and Union Bank of Switzerland, where up to 4,000 jobs may

be lost in London alone. SBC and UBS are working down tier by tier in determining who stays and who goes. Next week, the 100 or so managing directors will be advised whether they have a future in the proposed new Union Bank of Switzerland. The process is expected to be completed by mid-February.

### Peregrine arms seek buyers

By John Ridding and

Peregrine Securities (UK), the London stockbroking subsidiary of the collapsed Hong Kong-based investment bank, yesterday gave assurances about its own solvency as efforts mounted to find a buyer for the group's equities business.

Colin Bird of Price Waterbouse, the accountancy firm which is handling the liquidation of the parent group, said Peregrine was looking for buyers for the UK and US subsidiaries as well as the Asian businesses.

Of the UK broker, he said: "It does not have a problem because its parent has gone cash which should allow it to hold the fort."

Until its collapse, Peregrine had one of the region's most profitable equities operations with a strong franchise in Hong Kong and China. It was one of the largest underwriters of mainland issues, notably red chips, the Hong Kong subsidiaries of Chinese conglomerates or government

Chinese-backed banks view Peregrine as a means of acquiring an international distribution channel.

Financial sources in Hong Kong said it seemed likely that Francis Leung, managing director and a pioneer of mainland equity issues, could emerge at the head of equity operations, perhaps backed by a Chinese bank.

Kwong Sang Hong, Peregrine's property arm, said **NEWS DIGEST** 

### Tomkins sizes up Spillers

Tomkins, the industrial conglomerate, has expres interest in buying the Spillers milling business of Dalgety. the petfood and agricultural products company. Associated British Foods is also looking at the comp and others are believed to be interested, including Kerry and Greencore of Ireland. Spillers currently has about 13.5 per cent of the UK flour milling market.

Brokers expect the operation, which is part of Dalgety ingredients division, to sell for about £300m. Analysis estimate sales of 1223m for last year and profits before interest and tax of £17m. Tomkins has its own milling and baking division, which

includes Ranks Hovis, the breadmaker. This week it reported operating profits of £17.4m on furnover of £329m for the six months to November 1.

The company has been under pressure from shareholders to spend its £188m cash pile and increase its debt. This week, the company resisted calls for a share buy-back saying it was considering a number of large acquisitions which could easily lift gearing to over 15 per cent. In September Richard Clothier, the former chief execu

tive of Dalgety, resigned after the company announced restructuring programme to raise about £350m from dis posals and return at least £200m to shareholders.

#### Moody's warns banks

Five European banks could see their credit ratings cu because of their exposure to the financially troubled countries of eastern Asia, Moody's, the US credit rating gency, warned that it was reviewing Standard Chartered of the UK and Commerzbank, Bayerische Landesbank, Westdeutsche Landesbank and Norddeutsche Landesbank of Germany for possible downgrade.

Moody's said its review of Standard Chartered, whose business is heavily centred on Asia Pacific, would focus on its exposure to the most troubled economies of the region, including indonesia, South Korea and Thalland. The agency will also review the bank's Malaysian operation, which it said was "one of the most important elements of its Asia Pacific franchise after Hong Kong and

The review of Commerzbank reflects its "more mode economic capitalisation", said the agency. The bank's exposure to several Asian markets could erode some of the improvements in its domestic earnings in recent years. The three Landesbanks will keep their triple-A ratings for long-term debt, because they are backed by a government guarantee. However, their financial strength ratings, which do not assess the likelihood that they would be bailed out by their state shareholders. will be reviewed because of increasing concerns about their comparatively large exposures to parts of the east Asian

#### Christie's to cut 60 jobs

Christie's International, the auctioneer facing a 2500m bid approach from SBC Warburg Dillon Read, yesterday told staff in London and New York that 60 jobs were being cut: The group, which employs a total of 1,900 worldwide, said the job losses had nothing to do with SBC Warburg's approach. They were the result of a review started several months ago in an attempt to cut costs and reorganise the management structure.

SBC Warburg is investigating the possibility of a private equity consortium making an offer for the group. After an initial rebuff, it was last month understood to have raised its offer to 300p a share.

Christie's decided that the revised offer formed a basis for starting negotiations, but SBC Warburg said an offer would only be made on the board's recommendation and after due diligence had been satisfactorily completed.

Ewart revalues after approach Ewart, the Belfast-based property company, has revalued

its land and buildings after an unsolicited £21m bid from Dunloe House, a Dublin property company. Net assets per share unveiled yesterday alongside

results for six months to December 31, increased from 62½p in 1996 to 81p. Dunloe has offered 67p cash or an 18-for-5 share exchange, which with Dunloe's shares at 20%p is equivalent to 74p. Pre-tax profits were up a third to £1.09m.

Ewart is due to issue its formal defence document next

in its original approach, Dunloe argued that a merger of the two groups could take advantage of the all-island property market. But Belfast brokers believe the Dunlos offer is opportunistic. Noel Smyth, Dunloe's chairman, owns 26 per cent of Ewart and is a non-executive director. The market's view

is that he cannot lose - if he fails to acquire Ewart he

may flush out a new bidder, pushing up the value of hisshareholding in the company. The increase in asset value was because of the revaluation of Ross's Court, the Belfast shopping centre leased to Argos, the UK stores group, under a 25-year deal. This added 4.4p to the net asset value. Ewart made clear the bid was "unwelcome", scotching suggestions from Mr Smyth that Brian O'Connor, Ewart's chairman, had

approached him to make a bid. Mr O'Connor, who owns 16 per cent of Ewart, said, "the full potential of our development stock has yet to be recognised and should produce significant trading profit ... in the years ahead".

#### Mandarin to open Miami hotel

Mandarin Oriental International, Jardine Matheson's hotel division, and Swire Properties, the Hong Kong property group, are to develop a 290-room hotel in Miami. The joint venture's waterfront development, will cost \$85m (£52.1m), of which \$50m is expected to be financed by external loans.

Swire is contributing 75 per cent of the equity and Mandarin Oriental will take a 25 per cent stake in the hotel for \$9m. Construction on the Brickell Key site will begin later this year and is set to be completed in 2001.

#### Santos to sell UK assets

Santos, the Australian oil and gas producer, is seeking offers for its UK petroleum assets located in the southern gas basin and the North Sea. It said its international business would concentrate on the US where it had interests in the Gulf of Mexico.

The company expects the disposals, to be carried out through Lovegrove and Associates, to be completed by

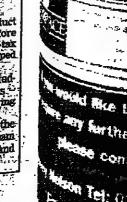
#### Gresham Computing lower

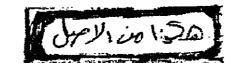
Gresham Computing, a UK electronic commerce product and service provider, reported annual profits before exceptionals down 30 per cent at £1.17m, while the pre-tax result was 60 per cent lower at £687,000. Turnover dropped 5 per cent to £8.7m.

The company said that after exceptional costs - incled ing a legal dispute and terminated directors' contracts. and a significant one-off sales order in 1996, underlying profits had increased.

Gresham invested in staff and infrastructure during the year to October 31, restructured its management team. and acquired both Systel, a transaction product; and Circa, a banking and finance group.







COMPANIES AND FINANCE

AMERICAN TOWNSHIP

SI OUS Chic the year to December, in line with \$1.3bn. market forecasts. in 1986, a gain of 11.3 per cent, and news. was achieved on total sales of St. Control of the state of the Chicago, said the sales figure would have been about 3 per cent higher without the effect of the strengthening US currency.

Earnings per share rose 12.9 per

By Nikki Tait in Chicago

of analysts' forecasts, according to thirds of this figure. Abbott Laboratories, the US First Call.

healthcare company, shook off the The results came after an 8.1 per impact of a stronger US dollar to cent increase in research and develreport after-tax profits of \$2.1bn in opment spending, which topped

Shares in Abbott rose yesterday The result compares with \$1.88bn morning by \$11 to \$701/4 on the

Abbott saw its fastest sales growth \$11.9bn, up 7.9 per cent on the previous year. Abbott, which is based in products, where it added two new in pharmaceuticals and nutritional anti-convulsant products during the year and won the go-ahead to market Norvir, for use on children with HIV or Aids. Sales in the division increased 9.8 per cent to \$6.9bn, with

but were split more evenly between US markets, at \$2.79bn, and international markets - where the strong currency had an impact - at \$2.17bn.

The results came less than 24 Duane Burnham, chief executive, would retire at the end of 1999, and ing officer, would step down at the

end of this year. Abbott has effectively put forward successor by promoting Paul Clark, candidates.

cent to \$2.72, matching the average the US accounting for about two- Robert Parkinson and Miles White to executive vice-president positions. Sales of hospital and laboratory All three have been with the products rose 5.4 per cent to \$4.96bn, company for more than a decade and previously have held senior vicepresident positions, overseeing the pharmaceutical, international and diagnostic operations respectively.

Mr Burnham has headed Abbott hours after Abbott announced that since 1990, with Mr Hodgson as his chief lieutenant. However, the last succession at Abbott was anything that Thomas Hodgson, chief operat- but smooth: Robert Schoelhorn, Mr Burnham's predecessor, had to be ousted by the board after he discouraged competitors for his job and the three candidates as Mr Burnham's company saw an exodus of potential

But in early 1996 Core

Pacific nearly ran aground.

The group was heavily

invested in shares and prop-

erty when the stock market

collapsed and the economy

stalled, leaving it vulnerable

It was only through the

intervention of Liu Tai-ying

Mr Shen's close friend.

president Lee Teng-hui's top

economic adviser and head of the ruling Nationalist par-

ty's extensive business inter-

ests - that Core Pacific survived. The party stepped in and backed his giant mall

complex, funnelling in vital

r Shen blames the

crisis on jealous

rumours of his

success in winning privatisa-

tion deals. "I was up to my

neck - we almost went bankrupt. The banks wanted

money and I just didn't have

enough. I even thought of

committing suicide," he said.

to buge liabilities.

### factors give lift to Roche

Currency

By Daniel Green

Roche, the Swiss drugs company, generated modest sales growth in 1997, with gains driven largely by currency factors and acquisi-Cons.

Sales in Swiss francs were ahead 18 per cent to SFr18.8bn (\$12.6bn), but the gain was only 6 per cent in local currency terms.

Sales in the pharmaceuticals business, which accounts for 64 per cept of Roche's revenues, grew 4 per cent in local currencies to SFr12.1bn, or about half the rate for the pharmaceuticals industry as a whole.

Growth was slowed by patent expiries and government-mandated price cuts in Japan, while consumer bealth, including brands such as Redoxon and Rennie, increased market share.

The company's fastestgrowing business, fra-grances and flavours, benefited from the acquisition of US company Tastemaker in April 1997. Sales grew 23 per cent in local currencies to SFr1.9bn. But excluding the acquisition, the growth would have been about 1 per

Roche's diagnostics division did well, with sales growing 17 per cent in local currencies to SFr966m. Sales were boosted by sales of products based on a technology Roche acquired for \$300m in 1991, polymerase chain reaction (PCR) which is used to detect tiny

cent.

Mr Shen's hands-on management style demands total amounts of genetic material. devotion to work - from The vitamins and fine himself and from employees. chemicals side, the compa-But a reluctance to delegate ny's second biggest division, may prove a liability as Mr had local currency sales growth of 3 per cent to SFr3.8bn. However, the comseas. "To operate in an interpany increased its market share in this especially comneed to adjust your mentality. They will have some petitive sector.

With its sales figures pubgrowing pains," one lished yesterday, Roche also There will doubtless be said that planning and prepwaves as the former seaman aration for the integration of German diagnostics comsails into international pany Boehringer Mannheim, Was "moving ahead

INTERNATIONAL NEWS DIGEST

### SmithKline, AHP in tie-up talks

SmithKline Beecham and American Home Products, two of the world's largest pharmaceuticals companies, have held talks on a wide range of link-ups. Analysts said possible areas of co-operation included the consumer medicines side. SmithKline is one of the world's biggest companies in consumer healthcare after its acquisition of Sterling Health from Kodak in 1994. AHP also has a strong presence with brands such as its Centrum vitamin

supplements. A full-blown menter may be difficult because of the potential liabilities faced by AHP in class-action suits following the withdrawal of its slimming drug, Redux, last year. Redux had been linked with heart valve problems in a large proportion of people taking it.

Daniel Green, London and William Lewis, New York

#### AIRLINES

#### KLM brings forward disposal

KLM Royal Dutch Airlines said it had agreed to bring forward the sale of its remaining stake in Northwest Airlines, the US carrier. "Cutting KLM's stake to zero from 16.5 per cent, which was to be finalised in the autumn of the year 2000, will now take place before May 1 of the current year," the Dutch airline said. KLM said selling the remaining 18.2m shares would raise almost Fl 1.6bn (\$775m). The transaction creates a book profit of almost \$800m, to be posted in the current financial year to March Reuters, Amsterdam

#### **■ PROPERTY**

#### HK groups plan Miami hotel

Two of Hong Kong's oldest hongs, or trading houses, are teaming up to develop a US\$\$5m luxury hotel in Miami, the companies said yesterday.

Mandarin Oriental International, the hotels arm of Jardine Matheson, and Swire Properties, a unit of Swire Pacific, are developing the 290-room Mandarin Oriental on a prime waterfront site in Miami. Mandarin Oriental will manage the botel. The bulk of development costs, or US\$50m, is to be financed by external loans. Swire Proper ties, which has already invested in the Miami property market, is contributing 75 per cent of the equity and Mandarin Oriental will take a 25 per cent stake for \$9m. Construction is due to begin later this year and completion of the hotel is scheduled for early 2001.

Louise Lucas. Hong Kong

#### CARMAKING

#### Mitsubishi downgrades forecast

Mitsubishi Motors yesterday highlighted the impact of Asia's economic turmoll by indicating that its results for the year could be worse than initially forecast. Takemune Kimura, chairman, said the company's group net loss. forecast at Y40bn (\$304m) in the year to March, could be larger as a result of the downturn in Asian markets. He declined to specify the extent of the losses, MMC, which has halted two out of four manufacturing plants in Thailand, has seen sales in the country halved to 32,600 units in the 10 months to October last year. Sales in the Philippines fell 13 per cent, to 27,000 units.

Michiyo Nakamoto, Tokyo

### Taiwan buccaneer turns gaze abroad

Abbott shrugs off dollar rise

market timing. Tony Shen and the Singapore govern-Ch'ing-ching cuts a colourful ment. figure in Taiwanese business circles.

Within a decade the tycoon has built his Core Taiwan's top 10 conglomer- T\$34bn power plant, and has stes and, with this week's moved into electronics with completion of the purchase of Yamaichi Hong Kong, is now piloting the group over- plant.

name," he said. He plans initially to develop the group's securities business in Asia, especially China and Japan, and later move into other markets through acquisitions and alliances. Armed with the instincts

of a born trader, the 50-yearold chairman has worked his way into the graces of the second generation of

Taiwan's business elite. too, winning seats on the ruling Nationalist party's central committee and its finance committee. He has also cultivated an entry on the opposite side of the Taiwan Strait, where he has business interests.

well as securities. In Taipei biggest downtown shopping tile industry that "even big kings of heaven" in the 2,500 points.

NATIONAL AND REGIONAL MARKETS -

Figures in parentheses.

Austria (23) .... Belgium (26) .... Brazil (30) .....

Pinland (28)

Ireland (16)... Italy (53).....

Netherlands (19) ..... New Zeeland (14) ...

Singapore (42) ........... South Africa (43)........

Spain (33):

Sweden (49):

Switzerland (31):

REUTERS

IGINDEX FINANCIAL

MURPACE

Norway (38) ..... Philippines (22) ..

USA (639) ....

FT/S&P ACTUARIES WORLD INDICES

US Day's Pound Doller Change Stating

amed as much for his swashbuckling style as his impeccable backing from the Nationalist party. Japan's Mitsubishi

Core Pacific seized control over two recently privatised companies, China Petroself-made sailor-turned- chemical Development and BES Engineering, a civil Pacific group into one of works concern, is building a a printed-circuit board factory and a microchip testing

But Mr Shen remains "Through this acquisition, dogged by his reputation as Core Pacific can become an a buccaneer and by unsainternationally known voury rumours about his

> "Re's very aggressive and super-ambitious," said a Taipei investment banker. "He's seen as opportunistic, making money by speculation rather than traditional manufacturing business."

. Mr Shen acknowledges such criticism but dismisses it as jealousy.

He has certainly had to right for his present position. He has climbed politically With no formal education past high school, youthful run-ins with the law and three years at sea, he vaulted from messenger boy to customs broker, becoming Taiwan's undisputed "quota king" by the age of 30.

From 1974, when he set up With assets of T\$150bn a trading company, to 1986, just as the market embarked (US\$4.4bn) and 1996 sales of Mr Shen cornered the mar-T\$32bn, Core Pacific is in ket in textile quotas, amassproperty and construction as ing a T\$3bn war chest of cash on the back of Taiwan's erty prices quadrupled. Mr the group is developing what economic growth. So Shen subsequently gained Mr Shen calls the "world's renowned was he in the tex- notoriety as one of the "four

Index: % Index Index Index Index on dey

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Tony Shen Ch'ing-ching: gaining international status

give me a cheque on my word alone", he says with

pride.

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Bold Mines Index (34)

pa Regional Indices

Africa (15) Australasia (7) North America (12)

FTSE GOLD MINES INDEX

FT.

FINANCIAL TIMES

In 1967, when he founded Core Pacific, he converted his cash from bank deposits into property and shares on a three-year bull run during which the benchmark index quintupled and prop-

Index

| Dollar Change Starling | Yen | Dollar Change | Starling | Yen | Dollar Starling | Yen | Yel | Yel | Yel | Yen |

Yield

American companies would stock market's rally of the late 1980s. "Everyone calls me a mar-

ket manipulator, but actu- Shen takes the group overally I was forced to buy stocks - the banks didn't national environment you want my deposits," Mr Shen recalls. In February 1990 he sold

all his holdings soon after the index peaked at around 12,500 points. "I made the correct decision at the critical moment," he says. By October the index crashed to

tridex Index Index Index High Low (approx)

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# COMPANIES ET MARKETS

Weekend January 17/January 18 1998

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FAX MACHINES

### Seagate cuts 10,000 jobs as losses mount

By Louise Kehoe m San Francisco

Seagate Technology, the world's largest independent maker of computer disk drives. will cut 10,000 jobs - about 10 per cent of its workforce over the next three months in Thursday. Yesterday morning an attempt to stem mounting Seagate was trading at \$192.

Most of the job losses - more close of \$19%. than 7,000 - will occur in Asia, where Seagate has extensive manufacturing operations in Thailand, Singapore, Malaysia and China. About 1,800 jobs will be lost in Singapore, where Seagate is the second largest private sector employer after Singapore Airlines.

In the US, the company will trim about 1,300 jobs, most of there in Silicon Valley. The previously announced closure of Seagate's plant in Ireland. with the loss of 1,400 jobs. is included in the worldwide restructuring.

of \$300m" in the second fiscal quarter, ended January 2. The disk drive maker is expected to post a net loss of up to \$500m for the quarter. Details of the cuts were released after the close of trading in the US on down slightly from Thursday's

Seagate's problems stem in large part from new competition in the market for high capacity disk drives, which it had previously dominated. The company has lost market share to IBM. Fulitsu. Maxtor and Samsung over the past six months, according to industry analysts

Officials in Singapore said the Seagate job losses did not signal a widening of the Asian economic crisis. "Singapore's industrial base will stay competitive and continue to register growth," the Singapore Seagate hinted at further Economic Development Board

the disk drive industry has also created a glut of products and production capacity, put-

ting further pressure on prices. Demand for disk drives remains strong and worldwide unit shipments are estimated to have risen by 20 per cent to 126m in 1997, according to Disk/Trend, a market research group. However, the market had not grown as fast as some manufacturers, who expanded production in the mid-1990s,

Quantum, another US disk drive manufacturer that had also forecast problems, yesterday reported a net loss of its third fiscal quarter, just

The results included a \$79m write-off associated with its high-end drive business. In the pany reported net income of \$52m, or 36 cents a share. reported net income of Quantum's sales rose 2.8 per

### Telekom provides \$412m to cover Asian impact

By Raiph Atkins in Bonn

Deutsche Telekom, the German telecoms group which this week saw the premature departure of its international director, is to make provisions of up to DM750m (\$412m) in its 1997 results to cover the impact of south-east Asia's financial upheavals, it emerged vesterday.

News of the measures came as the group announced aftertax income reached only DM3.3bn last year, according phone group. to preliminary estimates.

lower than market forecasts. although up from the DM1.8bn reported for 1996. Pre-tax income was up from DM4.1bn to DM7.5bn.

The group also revealed the extent of losses in its cable and half the DM1.5bn. broadcasting businesses, which reached DM1.1bn. It lights the challenges facing the

with staff numbers. Losses from public payphones and directory inquiries reached DM900m and its telephone equipment activities lost

Provisions covering "all identifiable risks" to southeast Asian investments were part of a DM1.5bn loss reported from associated companies. including substantial start-up losses from Global One, its joint venture with France Telecom and Sprint, the US tele-

Deutsche Telekom - which That was at least DMIbn has stakes in businesses in Indonesia, Malaysia and the Philippines - would not comment on the scale of Asian provisions, but told analysts in private briefings that they accounted for a little under

The announcement high-

ners about restructuring Global One.

But its international strategy has been set back by the departure on Thursday of Brik Jan Nederkoorn from its management board.

At home, Deutsche Telekom faces stiff competition from new rivals following the liberalisation of Germany's telecoms market from January 1.

It is also struggling to contain costs; unions yesterday demanded pay improvements equivalent to a 4.5 per cent rise as well as iob protection

After sliding more than 4 per cent, Deutsche Telekom's shares ended up 81 přenniga at DM32, though shareholders can take comfort from the group's decision to stick with plans for a DM1.20 dividend double the 1996 level. The price compares with the DM28.50 level at Deutsche Telekom's

Markets Latest

### **Boating** industry struggles to stay afloat

By Brian Groom in London

Think of Marllyn Mouroe afloat in Some Like It Hot. Think of yachts and Aristotle Onassis, Boats stand for wealth and glamour, if not always the best of taste. Everybody wants one, right? Not any longer. Boat build-

ers are coming to terms with in awful truth: their industry faces a worldwide image problem. Quite simply, boats are becoming a turn-off, Young people don't want to know about them. Women are less keen than men. Boating is los ing ground to hundreds of alternative pastimes.

The problem is acute in the US, home of the world's biggest boat industry. In the past decade, 10 million families have come into the prime boat-buying age of 35-55, but in spite of a growing economy,

they are not buying boats. The US industry's turnover has fallen from \$10bn in 1988 to \$8bn. Recreational spending has grown by more than 50 per cent in seven years, but boating's share has shrunk from 3.8 per cent to 2.1 per cent. In 1984 an American magazine reported that owning a boat came sixth on a wish list" of consumer preferences. Twelve years later, it erms title.

The issue has surfaced at the London Interputional Boat Show, currently being held at Barls Court. The British Marine Industries Federation, which runs the show, has issued a briefing paper which paints an asionishingly frank picture of steady decline.

"Boating is year by year struggling to maintain its popularity," it says. Beside a picture of an ostrich, it asks: "isn't it time we took our head out of the sand?"

Attendance at the show is 10 per cent above last year, but it has been overstandowed by the impact the strong pound is having on export sales. Longer of big companies is masking problems at dozens of smaller enterprises, the federation

### THE LEX COLUMN Bully Bill

Might Bill Gates become a liability to Microsoft? Even raising the ques tion may sound like heresy. Mr Gates, after all, has built Microsoft into probably the world's most successful company. And since he is just 41, investors can reasonably expect that his energy and ambition will continue to drive the software group forward for another 20 years. Unfortunately, Mr Gates' less

endearing character traits are also part of the corporate culture. Microsoft's stance in the current court battle over internet software has been aggressive and arrogant. Allegedly defying a court order, it has issued non-working versions of its Windows software. Mr Getes was personally involved in the deci-sions, which have enraged the judge and could lead to Microsoft being found in contempt of court.

While belligerence might have just seemed feisty when Microsoft was relatively small, it now looks short-sighted. It reinforces the notion that the company is an "evil empire", undermining public support. That could not only damage sales but, more importantly, give the anti-trust authorities the confidence to mount a broader regulatory assault on the group. Microsoft is aware of these issues. Its top executives have talked recently of the need for a softer image and, possibly, even a code of business practices. Mr Gates is not yet a liability to Microsoft. But unless he can reinvent himself and his company's culture, he could yet become

#### Chinese banks

At last, some good news for beleaguered Asia-watchers. With China a big unknown lurking behind any recovery in Asian markets, its plans to pre-empt a financial crisis of its own are welcome. Overhauling its debt-encrusted banking system is long overdue. And Beijing's unwavering stance on maintaining the Hong Kong peg and the value of the yuan will also reassure international investors. That said, the central bank's admission that 20 per cent of state bank loans are nonperforming and five per cent have coverable still understates the case. The real figures are likely to be at its roots: kind to customers, kind to least double that. So strengthening the financial system will be a pain- ing. But this lack of ruthlessness ful process. Writing off bad debts and tightening supervision of lending habits is a good start. But large recapitalisations of many banks shifted towards how much more

TSE Eurotop 300 index: Argos Share price relative to the . FTSE General Retailers inc.

cial sector reform, of course, is inextricably bound up with moves towards a mixed economy, involving the preparation for privatisation of some 120,000 state-owned enterprises. Despite an official blessing from President Jiang Zemin for an accelerated sell-off programme, few businesses are ready.

Indeed, high losses and debt levels could spell bankruptcy for many. As these companies account for the bulk of China's urban workforce, there is a risk of mass unemployment among the most politically restless portion of the population. But the rewards in spreading the dynamism already visible in China's private sector throughout the economy should be

#### Allied Colloids

Some final defence documents pull rabbits from the hat; poorly performing businesses will be sold; an unpopular head will roll; costs will be slashed. Allied Colloids has gone for a more dignified response. But then it had little to prove beyond a more robust approach to profitability. This has been addressed by the newish management, and its defence against Hercules' 155p-a-share bid has done enough to convince that earnings per share should rise from 8p to near 10p in 1998-99. The besieged management has stuck doggedly to staff and generous on capital spendleaves some of their savings with a bit of a one-off feel.

The bottom line has in any case

bidder - if not Hercules then maybe a white knight. Current negative sentiment towards UK industria companies adds to Allied's uphili struggle for independence. Assuming Allied is heading towards oper ating profits of £100m, a debt-free multiple of 13-14 times - in line with last year's deals in the sector suggests close to 180n. Hercules' initial after tax return would be around 5 per cent - low but wearable as the cashflow could be rap-

idly improved. In a kind world, the management would be given a bit longer to deliver the appropriate performance from a company with many quali-ties. In these uncertain times, accepting a plumped-up bird in the hand is the more likely investor

Argos fell out of the UK retail sector's premier league a year ago. On vesterday's evidence, there is little prospect of an early return. Against the backdrop of reasonable growth in consumer spending, flat like-for-like sales in the fourth quarter is a poor performance. The worry is that these figures reflect not simply difficult markets, but a degree of disenchantment with Argos's basic proposition as the price leader on the high street.

Markets clearly have not been easy: three of its core areas - toys. jewellery and electricals - have been in the doldrums for 15 months. Competitors have also been struggling. In the case of some, like Woolworths, they are clearly also more formidable opposition than previously. Argos's attempt to meet this challenge by stressing improved convenience and service seems logical; research shows shoppers placing increased store by such

But it will cost money. So while the company is cutting 27m in annual costs, a chunk of this will be handed straight back. Argos will struggie, therefore, to avoid repeating the 1997 experience of marsins being sandwiched between cost inflation running at around 3 per cent and 2-8 per cent price deflation Even so, for a company of sound management and strong pedigree, a 30 per cent discount to the market looks excessive - aspecially when the tougher consumer environment this year should play to its strength. But until the company delivers investors some good news, may prove necessary as well. Finan- than 21.1bn can be wrung from a the shares look set to languish.

#### warned that personnel expen- group. Deutsche Telekom is diture had not fallen in line already in talks with its part-Companies in this issue Abbott Labs Philip Morris RJ Reynolds Allied Colicide France Telecom Amer. Home Prods 23 Railtrack Anterican Toppace Gazprom Reebok Richards Glynwed TOA'S ВM **Floche** BZW SBC Warburg Bayerla Jardine M KLM Sentos Civistie's Inti-Seagate Tech Sibir Energy Commerzbank 22 Loritard 23 Compco Mandarin Oriental Singapore Airlines Connau S Cantral Mætor Core Pacific Sprint Swire Prop's Dalgety Norddeutsche LB 22

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FT WEATHER GUIDE

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### **Europe today**

Deutsche Telekom

Scandinavia will be unsettled and breezy in the south and west with frequent showers, many of snow. Eastern Europe will be cloudy and damp with above average temperatures although the far northeast will have snow rather than rain. The Alps and much of Germany will see showers at first with snow on the mountains but fine, bright weather over France and the Low Countries will spread east this unamoon. The weeks Mediterranean and the Algarya will be fine and warm but Sicily and southern Italy will be dull with rain and scattered thunderstorms

#### Five-day forecast

Italy, Greece and the Balkans will remain unsettled with further rain and showers. Eastern Europe will be changeable and increasingly wintry. Scandinavia and north-western Europe will also be much colder. The western Mediterranson will become wet, windy and cold.

Greece will also have occasional

heavy showers with local thunder.

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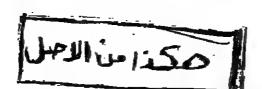
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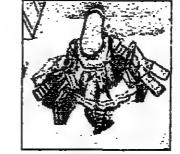






Party spirits

'However long your boa, it was almost inescapable that your host would make



#### Take Manhattan

We're doing antidepressant aromatherapy lipstick. Soon after, we're going to launch an out-of-body machine'



Courting surprises

Hewitt was inspired. Like his hero Agassi, he takes the ball early, single-handed on the forehand'

Man's quest for genetic perfection, for ever more intelligent and capable children, has a fatal flaw. Lee Silver contemplates an imperfect future.

I am Alpha and Omega, the beginning and the end, the first and the last, - Revelation 22:13

WASHINGTON DC

he members of the Commission on Ultimate Ethics, established under Dr Albert Finlay six months earlier, had come to Washington, in secrecy and in individual transport pods, to present a final report that had slowly taken shape in Simulsat die

One representative from each of the relevant fields repro-geneticist, evolutionary biologist, demographer. sociologist, psychologist and universal theologist – sat around the table in the conference room at the Department of Health and Human Services. One by one, they took turns presenting a portion of the report to the secretary, who was due to meet President Jordan the next

The findings were grim for a man whose own research had been inspired by the neo-enlightenment ideal of society evolving into an ever Yet Finlay could find no flaw in their logic, no reason to challenge the central conclusion in the final sum-

genetic knowledge and Huxley, and Asimov. advances in genetic enhancement technology continue at the present rate, by the end of the third millennium, the GenRich-humans and the Natural-humans will become entirely separate species. They will have no ability to cross-breed, and will have as much romantic interest in each other as a current human would have for a syn-

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The presentation took just over two hours. Throughout, Finlay sat in stience. It was too disturbing to comprehend. Unbelievable, and yet, entirely predictable. Indeed, predicted long, long ago. His mind wandered back to his teenage years, when he had been an avid reader of early science fiction, including the quaint stories written by one of the fathers, of the field, H.G. Wells, at the end of the

19th century. So much of what Wells had prophesied - television. intercontinental air travel. space stations, motion pictures, air conditioned cities, and much more - had become reality within a cen-

And now this as well -"the splitting of the human In these areas, different species," Wells had written, "the gradual widening of the present merely temporary and social difference between the Capitalist and ing genetically enhanced the Labourer was the key to the whole position," in the antiquated political language of the era. Now it was all coming true,

other worlds was easy enhancement clinics - GE vacy; individual liberties; GenRich parents would fol- at this point in history, continued to explode expo-

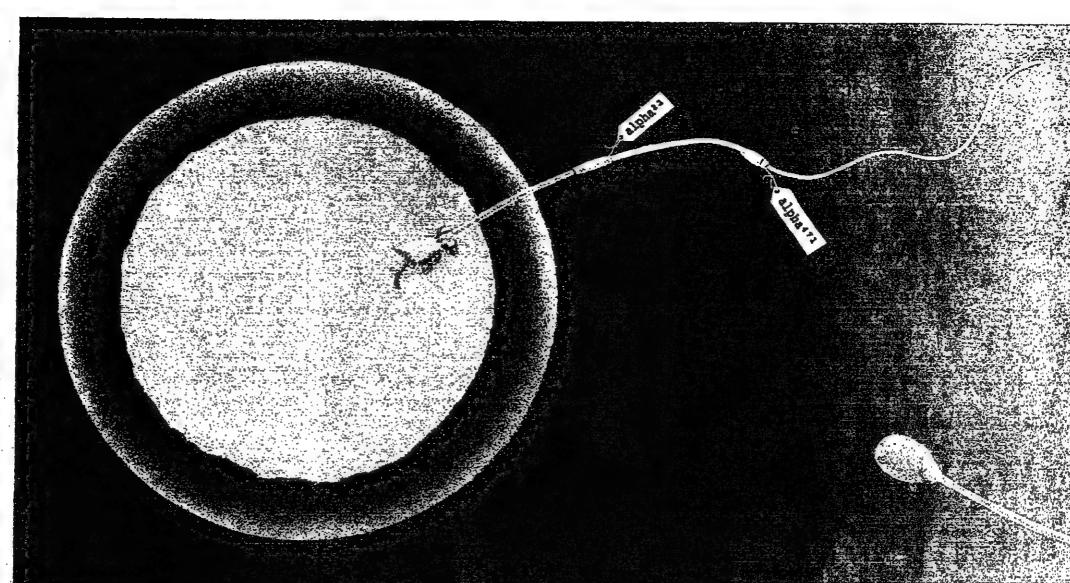


you feel slightly shabby'

Page XXII

Page XII

Page XVIII



# The gene genie

the predictions were surreal. humans might someday be larly known - were spread able to manipulate their own genes was, clearly, too ludicrous to consider during the latter decades of the second "If the accumulation of aries such as Wells, Veme,

And yet here we are on the cusp of an incredible evolutionary event. Not in the way Wells had imagined, as the result of natural, economic evolution, 800,000 years hence, but in less than 500 years as a result of evolving and developing ourselves with layer upon layer of high quality genes.

It had been 300 years since genetic enhancement began in earnest. During that time, 12 generations of GenRich individuals had lived and reproduced. And with each generation, it became possi-ble to start with an alreadyenhanced genome that could be enhanced even further.

And with each generation, an increase in biomedical understanding and genetic technology allowed reprogeneticists to make ever more complex enhance-ments, with hundreds, sometimes thousands, of added

Although the initial focus was on genetic refinement for the sake of physical and mental health, it shifted quickly to personality traits and talents in the cognitive, athletic, and artistic realms. enhancements were chosen for different GenRich children. But these differences sat on top of an ever-expandframework that was shared by all members of the Gen-Rich class.

The conclusions were obvious to Finlay but he was: would take. Space travel to priate response. Genetic impact of GE. Rights to pri-

across north America, and networks stretched to that politicians had focused Europe and most parts of the on in response to lobbying. world. They were run as private businesses, without any government assistance and with limited monitoring.

indeed, long-existing laws prohibited the use of federal funds for what was euphemistically called "research" on human embryos. Both elected officials and GE executives found this prohibition convenient for political cover, and it provided the basis for the "hands-off" approach that the government had consistently taken toward GE.

It was for this reason that Finlay had been asked to form his commission in secrecy. But now that the final report was about to be delivered to the president's hands, what could be do with it? How could he stimulate a sensible debate, given that it would inevitably be dominated by GenRich individuals?

The problem was that GE represented a multi-billion dollar industry that served not only American citizens, but was a big export earner. Indeed, the American GE industry benefited enormously from restrictive laws that limited the use of its latest developments in many other countries. As a consequence, genetic enhancement was a trade issue, much as cars, and semiconductors and aircraft had been in the early days of capitalism.

Not surprisingly, politiclans and their supporters from the business community were loath to go anywhere near it. Of course, through the years, citizens The only thing that Wells frightened by what he heard, had occasionally expressed got wrong was how long it and searched for the appro-concern about the long-term

intrusion into the free market - these were the issues

Finlay and all of the presenters in the room with him that morning were themselves GenRich. If they had been born otherwise. they would never have attained the positions they held. All members of Congress, all entrepreneurs, all athletes, all artists and entertainers were members of the GenRich class. There was no longer any way that even the most talented and gifted Natural could advance into any of these realms.

The notion that someday humans might be able to manipulate their own genes was too ludicrous

What could be done? What was possible? Put a stop to the whole thing, there and then? Outlaw the practice of Genetic Enhancement? There would be an outcry from all the GenRich. A Congress filled with GenRich legislators would never agree to a ban or even a temporary suspension.

And even if it did come to ass, in the end, it would make no difference. Sure, it might slow things down in the short term - perhaps a few months, but GE centres would move to off-shore

If legal restrictions erected in one country or another were useless, was there another way to stop the practice of GE? Finlay considered the moral argument. Perhaps he could convince President Jordan who, underneath his tough political GenRich skin, showed twinges of humanity, to bring his influence to bear on the problem and make clear the moral wrongs of

Perhaps a campaign could be undertaken to explain to all GenRich people the frightening consequences of GE for humanity as a whole. Perhaps it could be a compulsory part of the curriculum at GenRich schools. Unconsciously, Finlay

shook his head as he realised

the elimination of GE was hopeless. Prospective parents wanted to provide their children with the greatest possible advantages in life. It had been that way for hundreds of thousands of years. How could you convince parents to forsake this instinctive desire for the good of society? Each individual parent would inevitably argue: "The genetic enhancement of just my child has no impact on society at all. Why is it immoral for me to want the best for my children? I'm not harming anyone else by my

So much had changed, and so much would have to change to make society more equal, more human again. The gap between the Gen-Rich and Naturals lay not just in genes, but in every other aspect of their nurturing. Their earning power was different, their life islands, and to Fifth World chances far apart, their comcountries eager for extra tax munities so dramatically dif-

back together again.

If there was no way that GE could be halted, was there a way to stop it from breaking humankind into two? Finlay imagined a Utopian society in which GE was freely available to all, and where all Naturals were raised to the level of the GenRich. It brought a smile to his face for a moment, but for just a moment.

There was no way society could afford to provide this expensive service to all of its citizens, even if it wanted to. The creeping apartheid could only continue to expand. Finlay thought for a moment of another of Wells's Time Machine visions, the Eloi and the Morlocks, the charmed and

the damned. Where had we gone wrong? Was there any time in the past when humankind could have taken a different course? Where was the interhad taken society to this inevitable conclusion? Finlay was well-versed in the early history of GE. The original practitioners drew a moral line between preventing disease and enhancing characteristics. How could anyone argue against pre-venting childhood disease?

But it soon became clear that the moral line was an imaginary one. It was all enetic enhancement. It was all done to provide a child with an advantage of one kind or another that she/he would not have had otherwise. And what was wrong with that? What was wrong with helping children to live

The history books made it clear that early 21st century scientists had failed to see the cumulative impact of revenue and a state-of-the-ferent in quality of life. Stop- GE. Even as scientific underart industry. The prospective ping the practice of GE cold, standing and technology

nentially around them. the future would be the same as the present, and that complex physical and cognitive traits would

always be beyond reach. With a shock that opened his eyes wide, Finlay realised that most present-day scientists had the same mental block as their predecessors. It was late, too late to

do anything at all, he con-

continued to assume that on a journey into a rapidly evolving future that no man, no woman, could stop, a future far from Eden.

☐ Adapted from 'Remaking Eden', Weidenfeld & Nicolson, £20. ☐ FT readers are offered

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Joe Rogaly Saying sorry

'It is either free or cheap. It probably does no harm and may in some instances be beneficial'

Page III

**NEXT WEEK** 

Travel supplement

Cruising, wild life and wild water, the Caribbean, City breaks ... inspiration on where to go

With Weekend FT

# Weaving expertise with tradition in Laos

Faded skills had to be revived in the development of an untapped market, says Sarah Tilton

ations offered Carol Cassidy a job in Laos nine years ago, she barely knew where the tiny country was. Today, Cassidy is credited with almost single-handedly reviving its weaving tradition. Her business, Lao Textiles, is making the Land of a Million Elephants (sandwiched between Thailand and Vietnam) a favourite destination for New York designers and London art collectors.

Cassidy, now 41, took up the offer and moved to Laos in 1989 for a year as a consultant to a textiles development programme. Lactians had been weaving for centuries, though their skills had faded after 100 years of French colonisation, Japanese occupation and American bombing.

Farmers had switched from producing silk to growing opium poppies. Women had all but given up the unique, intricate designs and were using simpler patterns. Looking at the elaborate heirloom pieces people kept hidden in stoneware jars. Cassidy saw a chance to save a disappearing art form and develop an untapped

When Cassidy's UN contract expired, she decided to start her own business in Laos. "The challenge was to bring Lao textiles into the future. I wanted to combine my 20 years of experience with hundreds of years of Laotian beritage," says Cas- month, several times the sidy, who started weaving as a teenager in Woodbury, Connecticut, and later studied it at the University of ing the cost of training. Michigan and in Finland and

market research in Paris and uct line; silk upholstery fab-New York: these confirmed there was a strong interest in museum-quality textiles and hand-woven art. With their life savings of \$200,000, Cassidy and her husband, a former UN development specialist whom she met when they were working in Africa, formed Lao Textiles, the first company owned by Ameri- Lao weaving mechanisms right: "There is always a cans and incorporated in and modified them to make Laos since the country was longer, wider pieces. opened to foreign invest-

dilapidated house which became her studio, showroom and home. The spectacular scarves and wall hangings are draped from rosewood racks, making the space a mosaic of rich, subtle colours and textures.

Cassidy's next step was to train the weavers. Training lasted for 18 months; she finally had something to sell in January 1992. The weavers and looms - all handoperated - are situated behind the house in an open-air workroom with a bamboo roof and ceiling

Her former gardener col-

Workers get three months' maternity leave and earn severai times the average local salarv

dyes imported from Germany and computer-matched to traditional dves made from indigo and saffron.

The pay and conditions at Lao Textiles are enviable for Laos. Workers are paid \$50 a month while being trained, get an unheard-of three months' maternity leave, pension and health benefits, and, once trained, earn between \$80 and \$200 a average local salary. There is almost no staff turnover, which is important consider-

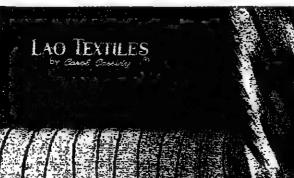
In between renovating the Vorway. house and training the weav-Cassidy commissioned ers she fine-tuned the prodrics, wall hangings and accessories. The techniques highlighted Laotian weaving: tapestry, brocade and ikat, a complicated process that uses selective dyeing before the pattern is woven.

Cassidy designed and built five looms (a carpenter built the next 17) using traditional

She researched designs, sourced the raw materials It was a slow start. Cas- and for the first three years sidy played many roles: art- dyed all the silk herself. She ist, designer, entrepreneur. still supervises every aspect Her first and largest expen- of the business, including diture was restoring the contracts with local sup-



Carol Cassidy: 'The challenge was to bring Lao textiles into the future, I wanted to combine my 20



pliers from, for example. silkworms' diet to the production of acid-free wrapping paper and shopping include That royalty, bags made from mulberry

bark. Meanwhile, her husband handles the finances and administration and has Paris, Hollywood actors on taken on a considerable vacation drop by her showshare of the child-rearing room. Customers telephone responsibilities (they have a or fax orders and Cassidy nine-year-old son and a three-year-old daughter).

Cassidy has never done any marketing or advertising, relying exclusively on word-of-mouth. She was convinced that textile collectors would find her and she was market for quality."

The turning point came in 1995 when Cassidy held a one-woman show at the Museum of the Fashion addition to furnishing fabric, Institute of Technology in New York. The timing was right: eco-fashion and Indo- waistcoats and Japanese chic were becoming popular. obis.

Most of her clients are foreign; 80 per cent of the work is exported. Customers museum curators and New York architect Peter Marino. responsible for the refurbished Dior boutique in uses a courier company to deliver round the world. European designers commis-

sion for houses everything from tablecloths to curtains, upholstery and wall hangings. Commissions account for about 60 per cent of sales. It can take two weeks to weave a scarf and six months to make a wall hanging. Scarves start at \$150 and wall hangings at \$1,200. In

she has expanded her fin-

ished items to include ties,

profit in 1995, Since then. she has recouped her initial investment, and turnover has increased five-fold since the start. The number of employees has grown from five to 40 and the company has taken over the entire house. Cassidy and her family moved out a few years

Cassidy is now at a crossroads: it would be logical to expand but she is anxious to to maintain quality and integrity. Increasing output would mean stepping up every phase of the process. For instance, she has had to turn down an order from New York designer Donna Karan because her weavers can only complete a few centimetres a day. An order for curtains in a London apartment will take up two looms for nine months.

It is a challenge running a business in a country which is making the transition to a market economy. Cassidy went to Laos before it had a constitution, foreign investment regulation, tourists or even international telephone lines. In the early days, making an overseas call involved taking a wooden boat across the Mekong River to a village in Thailand.

■ Lao Textiles. Ban Mixai, PO Box 5088, Vientiane, Laos. Tel: (856) 21212123; fax: (856) 21216205.

### The Nature of Things That old black,

# spooky magic

From 'Star Trek' to reality, particles can now be teleported from A to B, finds Clive Cookson

than light, as frequently remind enthusiastic fantasists about long-distance space travel. Amazingly, however, information can move at infinite speed – at least in the weird world of

Physicists at the University of Innsbruck in Austria have just carried out for the first time quantum teleportation" in which the physical state of one particle is transferred instantly to a econd, distant particle.

Teleportation is a concer dear to the hearts of science fiction fans and shove all to followers of are regularly beamed up to their spacecraft or down to a planet. They ematerialise instantly at their destination.

Quantum teleportation is not quite the same. The rocess does not transpor the physical matter itself but its "quantum state" information about its energy or the way it is spinning. And teleportation annot be used for large objects, only for sub-atomic particles whose behaviour follows the (often prespected) rules of quantum theory rather han classical physics.

Even so, the Impsbruck experiment is a striking iemonstration that the quantum mechanics, which so disconcerted Albert Einstein during the 1920s and 1930s, hold true in real life. Einstein's most calebrated observation "God does not play dice" was aimed at the important roles played by chance and uncertainty in quantum

But Einstein also found it hard to believe in what he called "spooky action at a distance" - the mysterious ability of quantum particles to become entangled" so that any interference with one particle has an immediate effect on the other. however far away it is

A series of experiments over the past few years has proved this principle of entanglement, which is an essential requirement for teleportation.

Last summer a Swiss

group at the University of Geneva sent pairs of entangled photons - light particles - through optical fibres to detectors in nearby villages. They found state of one photon nstantly determined the state of its partner 10km

There is no sign that this effect falls off with distance, as some physicists had expected. Indeed, it may work right across the universe, though no one has the faintest idea how.

scientists chose to teleport a photon's state of polarisation: the way the particle is spinning. They set up a bewildering array of experimental apparatus lasers, mirrors and essorted optical instruments - for the

he Bunshruck

Unfortunately their speriment is impossible to describe without using more technical language than is usual in this column. I hope non-scientific readers will

bear with me. A conventional particle must be polarised either vertically or horizontally, be in an intermediate state described by complex mathematical equations. However, as soon as you bizarre rules of quantum physics require the particle to fall into a definite state of horizontal or vertical polarisation - and at the same instant, its entangled twin falls into the opposite

The Austrian scientists. fired a laser into a special crystal to create an entangled pair of photons S (sender) and R (receiver), which would act as a communication channel for teleportation. Their aim was to transfer the state of an independent photon M (message) instantly to R. To do so, they entangled S with M and measured theh polarisation. The act of measurement destroyed thi quantum information in S and M but, because of the original entanglement, R instantly adopted the state

The results, reported in the journal Nature last month, are convincing. Time after time. M is teleported across the Innsbruck laboratory to R. although the two particles are never in direct contact

Now that the principle has been proved, scientists will be able to improve the efficiency and reliability of quantum teleportation. They should be able to extend it from photons more complex particles bus amois as days molecules.

However, it cannot be scaled up to transfer macroscopic objects like people. That would only work, even in theory, if our entire state of being, physical and mental, could be described through a set of quantum equations.-. which it cannot.

No, the main practical applications foreseen are in quantum communication and computing. It might be possible, some time in the next century, to process immense amounts of data in entangled quantum systems and to transmit the results instantly over vast worry about noisy

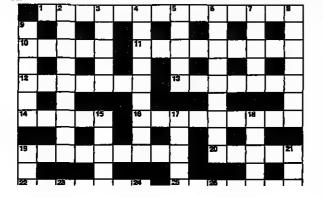
communication channels A far more speculative possibility for the distant future is teleporting states of mind. Some people believe it will be possible to describe the brain's activity, at least partially, in terms of quantum mechanics.

If so, thoughts might be candidates for teleportation. Indeed this sort of assisted telepathy rather then anything as erude and slow as radio waves - might be the preferred communications mode for really advanced extraterrestrial civilizations:



### CROSSWORD ...

No. 9,583 Set by CINEPHILE A prize of a classic Pelikan Souverân 800 formtain pen for the first correct solution opened and four runner-up prizes of Pelikan M200 fountain pens. Solutions by Wednesday January 28, marked Crossword 9,583 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday January



### 1 Flogger and photographer. 2 It's no easy task with roses the little brat (14) etc (4,5) 10 Agreement about public relations for battle ground

(5)
11 Left-wingers with misplaced pride are a pest (3,6)
12 Greed from the pen? (7)
13 NB award for solvers (4,3)
14 Winner to eat like a horse

16 I left soldier in pub, contrary to reason (9) Fighting pets in singular downpour (3,3,3)

downpour (3,3,3)

The great man's diminished in over 2000 years (5)

At home, gambles with mathematical powers (7)

Lawrence and I leaving artist's place in old military formation (7)

Past 8, cooked the pasta (9)

On strike about deviating from what's proper (5)

Access prohibited to revolutionary hot on coarse food (2,12)

### etc (4,5) 8 Chance for the sheriff's

men to own some (5) Vermicidal satellite (5,4) 5 Piece of hybridised umbelfirst tasty shoots (9) 7 Pet Irish cereal? (5)

8 Whale causing some fear, or qualms at least (7) Seeing shortly setter's film on love? (6) 15 Disney's film company turns up in emergency at No. 10 (9)

17, 18 One swift with the

baton to avert strikes? (9,9) 19 Opposed to keeping borders in the shade (7) Solvers get warning sign from bodyguards (6) 23 Plan for conscription? (5) 24 Battle between words an music (3-2)

### The Lederer Memorial Trophy, held at the end of

Played Hand award was given to David Burn - longtime British International and expert analyst.

• K84 ♦ AQ10988 **♣**8732 ▲ K97643 ♥ Q752 **♦ J532** 💃 A 10 ♠ A Q 10 5

BRIDGE

split. However, Burn cashed ♥AK and his A♠ - a modest last year, features some of little discovery play most the best players in Britain, people would be wary of together with a smattering making. But, as the diamond of foreign talent. The Best position is the only important matter here, every morsel of information is vital.

As it was, West played J♥ on the second round of the suit. Declarer now reasoned that West's jacks suggested short holdings in the major suits - especially as, had West held a four card major. he might well have led it. Placing West with a 3-2-4-4 hand pattern, Burn cashed his K+ and then led his 7+. playing 104 from dummy when West played small. This held the trick, and his

### Anatoly Karpov has retained

ing Vishy Anand 5-3 in a strange match at the Olympic Museum in Lausanne marred by unforced errors and unequal conditions for the players. Anand survived a 95-player knock-out at Groningen, beating Michael Adams in the final, then he had to meet Karpov in a different country just two days

later. When Karpov won the first of a six-game match with a smart novelty, then created a winning attack in the second, it seemed all Russian is liable to blunders: he lost that game and later

World no 2 Kramnik is waiting in the wings, so the less than thrilling prospect opens up of yet another series of all-Russian K v K matches. Whether Fide's Russian president flyumzhi nov can continue to finance biennial £3m knock-out championships must be doubtful

So chess needs a new western challenger, If Britain's Adams, who went so close at Groningen, could find the right form, it might yet happen.

No 1214 Nigel Short v Michael over. At age 46, however, the Adams, 3rd game 1997. White

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# Things

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about wine and chose a 1994 red from Bergerac, in the Dordogne. He said he would be satisfied with a cheaper 230 Bergerac if I had the budget for it. He asked the waiter for a side-order of spinach to go with his chicken and mushrooms, then suggested. "If you like spinach, order some, other-...wise you won't get any."

Earlier this year, he celebrated his 50th birthday in the Dordogne. "I have friends who run a restaurant there. I worked out that I had more close friends in that region of France than I have in London, So I decided to have the party there."

Downes described himself

Joe Rogaly

### 'I'm sorry' (There, that didn't hurt, did it?)

An apology is cheap and fashionable - and something governments can do without raising taxes

attempts to erase memories of the horrors of the past with as few words and as little compensation as possible. This week Ryutaro Hashi-

moto bowed. The Japanese prime minister said that his government was unanimous in its "expression of deep remorse and heartfelt apology to the people who suffered in the second world war". A few more yen were thrown into the

survivors' rattling mugs. At about the same time, Jacques Chirac wrote to the families of Alfred Dreyfus, the Jewish army captain falsely accused of spying for the Germans, and Emile Zola, who defended him. The French president called the affair a "dark spot" in the history of his country. It was 100 years to the day since Zola's dev-

celebrated headline "J'Accuse", was published.

In London, the British government has been making up its mind about whether to apologise for the shooting dead of 14 civilians in Northern Ireland on "Bloody Sunday", January 30 1972. It has already apologised

for the Irish potato famine. What these incidents have in common are our old friends race and ethnicity. British prisoners of war were maltreated by Japanese guards. There will always be anti-Semites in France, although today their venom is commonly aimed at Arabs rather than Jews. The English and the Irish tribes will never wholly understand one another.

So we can easily guess why saying sorry is becoming fash-

astating indictment, under the either free or cheap. It probably ment has expressed "profound does no harm and may in some instances be beneficial. Best of can do without raising taxes. The attention of the media is more or less guaranteed.

in the official throat. On her recent visit to India, the Queen was ill-advised to mutter a halfhearted expression of distress at the massacre of unarmed Indian civilians in Amritsar in 1919.

Bill Clinton has been pressed to atone for the transportation of that evolved after emancipation. Being president means having to say you're sorry. The White House fears a demand for comionable. Handled with care, it is pensation. The Canadian governmust look to the rational, grants usually enhance the econ-

than an hour, while Downes

was talking, he had never

stopped smiling. So I tried to provoke him, saying his cre-

bule, reminded me of a vase. upside down. He laughed:

"Yes, it would remind you of

Gothic into Art Nouveau."

Windsor Castle, he added

had been his biggest chal-lenge. I was surprised. I had

assumed that it was more

challenging to create some-

thing from scratch than to work on an existing build-

"No, this was more chal-

lenging. Everything you do is taken from existing refer-

ences. If you are in the mod-

ernist mainstream, there are

that you are well aware of.

harder you have to work."

modernist innovation.

regret" for the destruction of its native cultures. Admittedly, Ausall, it is something governments tralia has hardly offered as much as a teaspoonful of genuine balm to the Aborigines.

Meanwhile, the record of inter-In spite of these manifest tribal atrocities grows. The seeds advantages, some proposed con- of 21st century expressions of fessions of past wrongdoing stick remorse have already been planted in Bosnia, Rwanda, Palestine and Israel, to take just the three most obvious examples. Perhaps someone, some day, will be called to account for the slaughter of the innocents now taking place in Algeria.

The wait may be long. Tribal African slaves across the Atlan- antipathies are slow to erode. As tic, and for the segregation laws we have seen, half a century of apparent peace is not enough, nor is a full 100 years. Old wounds carry themselves from generation to generation. We

orderly, self-controlled superbeings soon to be created by genetic selection. Perhaps they will know how not to make per-

Alternatively, migration plus biotechnology might melt down humanity into a single ethnic group. Such a flash-forward might seem fanciful, but you cannot deny the logic of it. Every day we read new evidence of how the planet's economies are being coalesced. Everything, from farm management to finan-cial services, is global.

We are dismantling national barriers to the flow of capital, freeing all trade, becoming aware of the likely emergence of a universal electronic currency. Why not unrestricted movement

We know the answer. Immi-

omy of the host country. They enrich its culture. But tribal suspicions persist. This tension is evident everywhere. Over the past few weeks the European Union has once again discussed how to resist inward migration. while dissolving the union's

internal borders. The disturbance of financial markets in east Asia has been given as a reason - excuse? - for plans to deport foreign workers illegally employed in Korea. Thailand and Malaysia. China is hospitable to immigrants it regards as useful to its economic development. So, in theory, is the US, but American economists and politicians are debating the precise added value of new arrivals, particularly the

if mankind is to be recreated as an amalgam of its constituent

tribes, the US will lead the way. It is gradually becoming less white, more Hispanic and east Asian. The black share of America's population is expected to edge up from 12 to 13 per cent over the next three decades. During the same period, the Hispanic and Asian proportion will probably double, rising from 13 to 27 per cent. It is also a fair bet that when human cloning becomes a large-scale business it

will happen in America first. The withering-away of racial differences, or at least the evolution of nation-states that encompass many tribes within them, will not mean that our species becomes less murderous. There will, however, be fewer ethnic causes of strife. Heads of state will have to find something else to apologise for. joe.rogaly@ft.com

Lunch with the FT

# When a man's home is Her castle

Windsor Castle is finished. Giles Downes, the Queen's architect, talks to Samer Iskandar

When you

are working

on an existing

monument, it

is difficult to

clearly novel

never shut and never locked.

In those days I had to live

where there were no trees,

"Up the hill," he turned in

his chair and pointed towards the park. In these

big Victorian houses, built in

the 1860s. I'm on the lowest

level, with the garden

beyond, which is great.

When I bought it, my flat

Ideal for an architect?

find ideas

which are

man who had tar is a professor of biochembeen working for istry at Imperial College. the Queen for the I wondered if London was best part of the really as "cool" for an art past five years student in the late 1960s as should surely, I thought, be we were always being told it stiff and old-fashioned. Fresh was. "I can't remember. I from re-building the fire-raywas working with (Sir Noraged Windsor Castle, Giles man] Foster every moment I Downes had sounded suspi- wasn't in college. And when a vase, if I have done it cious of the very concept of I was out and about in Loa- right. What was important don; I didn't have any was to start with this geoan interview over lunch. My fears seemed to be con- money. I lived in a flat on metry and to stick with it

firmed when, at the former Charlotte Street in the West but push it as far as one garage which houses the End. It was an extraordinary offices of Sidell Gibson, the place; the front door was if you were not careful, you he is a partner, Downes told me sternly: "Let's be clear about this from the start: I will not talk about our clients, including the royal household."

This is not at all what I am interested in "I fibbed it seemed to work. He relaxed and we shared a short walk to the restaurant. The rows of pastel-coloured houses around Primrose Hill, in north London, manifestly. had a beneficial effect on Downes's mood. By the time were seated in Odette's restaurant, my companion was a changed man.

Odette's is a pleasantly old-fashioned restaurant not much bigger than a domestic dining room, its dark walls almost entirely covered with mirrors in heavy gilded frames. I made a mental note to remember it for romantic

"This place is really for business lunches." Downes interrupted my thoughts. "I wouldn't come here in the evening: I'd feel I had to put on my best behaviour. And I can't afford to go to places like this; also, I have a small daughter and I have to pay I wondered if he was jok-

now, we are going to do the next room, aren't we?" " ing but did not ask. Downes, I soon realised, had a pas-And this from the man has just finished rebuilding Windsor Castle sion for food. He was passix months ahead of schedsionate about almost everything we discussed, inule? "But that's different. cluding architecture, sculp-When architects work for themselves, they generally ture and his five-year-old daughter, Elizabeth. He take a very long time. It is very uncomfortable to be spoke softly and smiled a lot. I had misjudged him. Downes seemed to know judged on your own home. You just don't finish it then nobody can judge

> I asked why his style had changed since his days as a modernist with Sir Norman Foster - his recent projects include the classical display of the Crown Jewels in the Tower of London. He said it had not; he was probably what one would call "eclectic", although he disliked that word.

"I have always been interested in organic forms. Bones, plants and human figures; those are all natural forms," he said, picking up the chicken from his plate to show me the bone from different angles. The octagonal vestibule in Windsor Castle was his first opportunity to as "the black sheep of the experiment with organic family. I was the one who forms. "I had only done that didn't go to university but with sculpture. So the oppor-



a lot of examples around you patience again and asked pended ceiling (£5.7m). about another project completed by Sidell Gibson "When you are working on an existing monument, it is before Downes had joined the controversial, if ornate, incredibly difficult to find ideas which are clearly headquarters of the Euronovel it takes a hell of a lot pean Bank for Reconstrucof research. The more out of tion and Development. The bank was established to help the mainstream you are, the smooth the transition of east It later dawned on me that European countries, but what Downes described as "mainstream" is what the the more than 260m spent on fitting out its headquarters - owed what was an efficient public often perceives as marble clad and with an piece of work, on time, on I- decided to test his

interesting high-tech sus-

He laughed loudly. "I think I'm probably not going

We were both silent for a few moments as I punched a hole in the cabbage accompanying my duck breast. It turned out to contain len-

furore about that overshadbudget - and the budget was

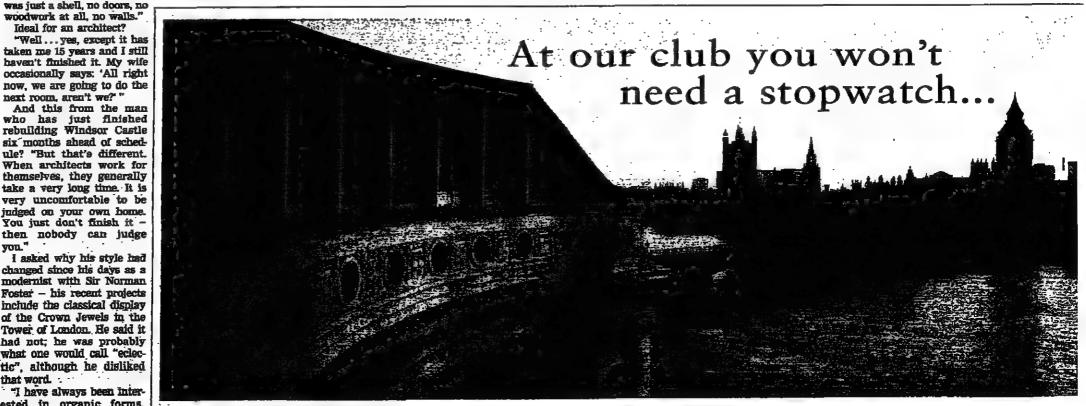
comparatively low. The fact that the designers who were working with us on the project managed to get so much dramatic effect is all to their

Downes almost certainly did not mean to shift the blame to the French interior design firm, but it nonetheless sounded like it. By the time we got our desserts chocolate tart - and the wine bottle was almost empty, our conversation had considered it as a possible

then, architecture keeps you involved and ambitious much longer than sculpture. You can make a name as a sculptor at 30; you are very unlikely to do so as an architect until you are in your 40s. Architecture is much more demanding. But I would like to mix the

best way to build a stone wall is at dusk and when "It was a toss-up. But you are slightly drunk. It really flows. Then you look at it and say: wow, how did I

"With uneven stones that don't lock perfectly on to each other, it's all about putting them the right way round. Somehow, when you're drunk and can't see very well, you do it bet-



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previously. We posted checklists and instructions on the notice board. alongside copies of those telex reports. Our first concern was to prevent an attack: falling that we would do nothing to endanger life. All this served to instil apprehension in the 24 crew members - but then this is the primary requirement for

being vigilant. Preparations finished, we left Port Kelang in Malaysia, bound for Kaohsiung, Taiwan.

We were well into the night when we passed Horsburgh lighthouse and came out of the Singapore Straits.

The gentle rolling of the ship Indicated we were in the South China Sea, infamous for the number and severity of its piracy attacks - from simple armed robbery to hijack, in which the

# Misadventure on the high seas

Pirates are still very much at large, as Captain D.S. Bist discovered when he set sail from Malaysia

ship itself is stolen and its crew either massacred or set adrift. Pirates range from shabby pistol-waving thieves to thugs in paramilitary uniform with heavy weapons. We knew the threat was very real now.

At about this time we also reached the "graveyard watch", as the period from midnight to 4am is sometimes called. The second mate took over on the bridge. He reviewed the situation: weather fine, sky cloudy, and the traffic still heavy. There were several groups of brightly lit fishing

boats still out. A row of dark clouds passed over the moon and made its light as unreliable as that of the ship's cook's defective torch. The second mate tested radio communication with the two men on deck-patrol. All was

At about 2.30am my phone rang. It was the second mate: Sir, there's a small boat showing on radar about two miles off. It has been with us for some time and I can't see its lights."

I set off: "All right. I'll be there in a minute." When I reached the bridge, second mate had new

developments to report. "The boat is coming closer, sir. I have asked for extra men on deck, and cargo lights over the ship's side are switched on." As the rest of the ship's

men summoned by the second mate came to the bridge on their way to help the deck-patrol. along with the electrician, who had volunteered to help them. The approaching boat was indistinguishable from the

accommodation was sealed, two

and only when it was half a mile away we could see its outline. It was definitely approaching us. "Hello bridge. There's an unlit boat approaching on starboard bow." So, the deck-patrol could

The boat was nearly alongside, but because of the high stack of containers on deck, the crew on the bridge only had reports from deck-patrol to go on. These reports came in quick

see it. too.

succession. "Bridge. The boat is trying to come alongside starboard shoulder and we are putting water on them with fire hoses. Please ask engine room to increase water pressure . . . They have thrown a grappling hook ... Bosun has cut their rope with a fireaxe."

Then relief. "They are going away." There was general jubilation. We had driven them away and it had been so easy.

But we did not know what had really hit us. While the unlit boat had distracted us, another had approached from behind and eight armed men had managed to climb on board. While we celebrated, they moved rapidly

towards the accommodation. The chief engineer awoke startled. He thought he had heard a thud, perhaps outside his living room. He didn't switch the lights on, but raised the blind of the windows to see outside.

Suddenly, pieces of glass fell to his feet and he found himself staring at the sights of a gun.

Open all windows or you die!" We were surprised when the chief engineer entered the bridge. When his escort of two men with assault rifles followed him in, we were astonished. We quickly understood that the prevention part of our plan was

over and it was time to switch to the injury and loss avoidance

The crew on deck were replacing their fire boses and other equipment when the ship's loudspeakers blasted out: "All crew proceed to crew messroom immediately." And to prevent rash acts of heroism, I thought it prudent to make another announcement: "Pirates are on board and they have hostages on the bridge.

Two of the armed men counted the crew as they came to the messroom. They checked their numbers against the crew muster list posted there. When all, apart from those on the bridge, were accounted for, they were locked in.

Next, the ship's safe was opened. It contained only \$450. This paltry sum disgusted the robbers but they took it anyway.

One of them could not hide his anger: "Very poor ship," he said. But what they were really after was being collected by others. Four of the pirates had broken open two containers on deck and were busy carrying our cargo to the side of the ship.

Their work finished, a short exchange of words on their radios brought the two boats alongside our ship again. They threw the cartons of electronic goods taken from our containers into their boats and were gone in

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The only thing left for us to do was to unlock our crew in the messroom and report the attack.

This drama did not become a tragedy because I decided to put the lives and safety of my crew before all other considerations. Crew members were instructed that our sole aim was prevention - stop pirates from boarding; but if the pirates succeeded, and especially if they took a hostage, crew members were not to offer any resistance.

And to that extent we were successful, our mission accomplished.

# The sly lesson taught by Lottoland

Why are lotteries so popular when the odds are so long? Michael Thompson-Noel looks beyond the clichés

otteries are a \$120bn-ayear business worldwide, and everywhere they flourish they succour a number of stock images and assertions - some drawn from life, or at least from a version of reality, others spawned in outer space or on metropolitan newsdesks, which are actually pretty similar.

A favourite stock character from Lottoland is the 63-year-old plasterer or golf club greensman who wins £12m on a lottery and tells the reporters that his life won't change a bit. He'll go to work just as he always has. He'll enjoy a drink with the same group of friends. He and the wife might take a holiday, and buy a bigger car. But once they have given some money to their children, they'll stick the rest in the bank where it will be out of to the poor

Another stock character from Lottoland is the bottle-blonde 52year-old barmaid who wins £12m and tells the reporters: "Of lin'. I'm going to shop and 3crew till I drop. Gucci, Pucci - the works. There isn't a male under (almost) as good as her word.

Just as durable as these two characters are some of the assumptions and assertions that dog any discussion of lotteries. particularly when puritans, economists and newspaper editoriions to the debate about the morality of lotteries.

People like this sometimes know that gambling's global growth of the past 20 years or so especially the mushrooming of lotteries - has been powered by duces. What they often don't artistic, charitable, heritage, trait. Humans love to gamble.

The UK's National Lottery is

ur grandfathers

built a civilisa-

tion. And the

that US lottery expert Terri La Fleur equates to \$7.75bn. Next biggest: the national lotteries of Spain (\$7bn), Japan (\$6.53bn) and

Although lotteries are now exceptionally big business, moralisers are seldom able to jettison their fastidious dislike of them. This is partly because of various cliched assumptions and assertions with which they lazily buttress their kill-joy, anti-gambling

Money means one thing to the rich and quite another

Clichéd assertion No 1 is that lotteries are a clumsy and iniquitous tax on the poor, because course it will change my life, dar- they raise money from (mainly) poor people and spend it (mostly) on things like opera houses for the benefit of the decadent haute 30 who'll be safe." And proves bourgeoisie and spivvy corporate

It is certainly true that poor people spend much more of their income on lotteries than the well-off, both proportionately and absolutely.

But the idea that most lottery

alists contribute threadbare opin- proceeds are siphoned upwards to pay for the pleasures of the better-off is a travesty. In Britain. for example, only a small fraction of the billions raised by the National Lottery since its launch in November 1994 has been spent in ways to charm the toffs.

governments' keenness to reap the golden tax yield that it proseem to know is what sociobiolo- environmental and celebrate-thegists know; that gambling is a millennium projects to please us universal and ingrained human all. (Whether they do or not is

something else again.) Cliched assertion No 2 is that it

tion of their income on lotteries. given the daunting odds against winning a main prize.

The poor in their ghettoes. sneer some commentators, stand a greater chance of being obliterated by an asteroid than of winning a lottery jackpot. That may be true (it is hard to compare the odds). But it spectacularly misses the point.

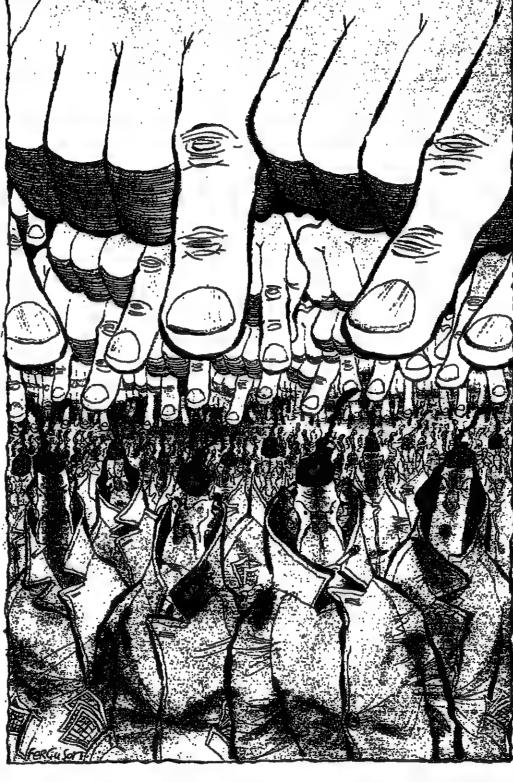
The other day I came across a spirited refutation of these clichéd assertions in a back copy (No 7) of The Baffler, a smallformat American magazine with big ideas

In an article called "Lotteryville, USA", writer Kim Phillips explained how US lotteries went back to the American colonial period, when they were used to amass funds for the construction of many of the halimarks of colonial architecture, including the Harvard and Yale campuses, and even for getting supplies to Revolutionary troops.

These days, many US states run lotteries. Six of them, led by New York's, are among the 11 biggest lotteries on earth. One, in New Jersey, is among the world's most productive in terms of government profit - that is, the percentage of sales allocated to charity, plus all forms of tax. (The most productive, on this measure, is the UK's.)

Statistically speaking, says Phillips, practically no one ever wins a lottery jackpot. As a result, philosophers of capitalism from Adam Smith to Milton Friedman have long been perturbed by the phenomenon of people playing a game they ought to know they can't win.

"But sneering at [lotteries] as a 'tax on the ignorant', claiming that people who play the lottery are poor fools, deluded and uneducated . . . bypasses the possibility that maybe poor people actually have a good understanding of what their life chances are; maybe lottery players are right," argues Phillips.



personal mobility, of how far just by working nine to five." individuals can get in life by working industriously. "The lot- tery is a perfectly rational investtery should make sense to any-ment for anyone facing a lifetime one for whom the answer is of drudgery and uncertainty. The nowhere. Lottery tickets aren't dictums of the economists fail to side. It gets traded in, given ately before you. If you'd been like investments in the stock take into account that money market; they are [potentially] means one thing to the rich and tickets to a dramatically different quite another to the poor. the world's biggest, with a turnover (latest figures available)

At issue, he says, is not lottery kind of life, the kind of life you'll

The world's biggest, with a turnover (latest figures available)

At issue, he says, is not lottery kind of life, the kind of life you'll

The world's biggest, with a turnover (latest figures available)

At issue, he says, is not lottery kind of life, the kind of life you'll

The world's biggest, with a turnover (latest figures available)

At issue, he says, is not lottery be able to save up [for] work right," he says. "It doesn't rance of the poor, he maintains,

In fact, claims Phillips, a lot-

save, it doesn't accumulate, it doesn't invest. For most people, money is simply a means to an end, a way to get food, clothing, shelter and a little TV on the away, stolen and lost." It is elusive and slippery. Phillips goes further. Not only

but they teach a sly lesson. "Reinforcing the message of personal mobility, lottery playing teaches that you're on your

What is additionally interesting, he reckons, is that lotteries sell a vision of a future imagined in terms of an unchangeable class system. The poor donate money to make one of their number rich, at which point that person and their new-found wealth pack up and move out. Meantime, the rich "pay nothing for this self-containing system of political quiescence'

I often play the UK lottery. And I know what I am doing: like every other player, I am investing in a fantasy. I want to escape into a sunlit vision of glamour, luxury and unbridledness. In fact, my only criticism of Britain's National Lottery is that the payback rate - the share of turnover returned to players in prize money - is, at approximately 50 per cent, too low.
In my experience, lottery play-

ers care little about donating money to "good causes". That is not why they play lotteries. Eventually, I imagine, the international gambling business will attract the attention of hardheaded consumerists, who will demand to know why lottery prize money everywhere is so low in relation to turnover, and suggest that it be pushed higher, to a similarly arbitrary but less mean-spirited 75 per cent, per-

Funnily enough, I almost made good my escape into luxury and unbridledness the other day.

I always hand in my lottery money at a newsagent round the corner which is staffed by droll Asian males. The last time I did so, I asked one of them whether the shop had had any big winners recently.

"Sure it has," he told me. "One of our customers has just won £8.5m. Like you, he fills in some of his lines himself, with his own numbers. For other lines, he marks the 'lucky dip' box." When you mark the lucky dip box, the computer selects your numbers randomly - itself. Experts say this boosts your chances (still exceedingly small) of winning a really big prize.

"He even looks like you," this amusing youth continued. "Tall, well-dressed, cool. A bit of a joker. Beautiful girlfriend. Always very polite. In fact, me and my brothers often confuse the two of you. What I wanted to tell you is that the guy who won £8.5m handed in his card immedihalf a minute earlier, you'd have won £8.5m. How close can you get, man?

I opened my mouth, but no

### Dimmed by the glory of the past Trading on history has not solved the problem of Egypt's present, writes Mark Huband

ilisation, by an Egyptologist, is probably as ancient as the the armoury of the nostalgic. time just following the The seamy side of life is premoment when Adam delve

The image of a past golden

left it covered in blood." The

lament for the decline of civ-

symbolised by monuments.

age is a potent weapon in The past is what is in stone.

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uitous. Every generation of are now likely to stay away. happy and funny." Egyptians throughout the Six young gunmen trans-20th century has sought one, formed the image. only to be disappointed. Now, as the century of

experimentation closes, Egypt has been forced to consider the implications of trading on the stones and glories of its past. Aside from those who have taken to lamenting.

others have engaged in a defiant assertion of "national" identity. Far from being the result of the rallying cry of a new breed of inspired politicians, of which the country boasts few, the "nation" has all but officially united against the enemy within after the shattering of its image abroad by the killing of 58 foreign tourists by Islamist militants at a temple near Luxor last November

Since the slaughter, the worst since the Islamists launched their violent campaign in 1992, it has been impossible to obscure the modern reality by reference to the glory of the past, not least in the eyes of the 3.2m tourists who were expected

Golden ages are, of course, to visit in the coming ture, one such being that as as mythical as they are ubiq months, but many of whom Egyptians we are kind.

The question for Egyptians has been whether the killers really besmirched an ancient civilisation, or doused with blood a monument from a past of which they and their like have

never felt a part. Meanwhile, the carnage has forced the modern state to come to terms with its failure to both protect its heritage and prove its credibility. "If you look at the way Egypt's history has been

treated, there's a systematic tendency for one period of rule to routinely destroy the reputation of the rule that preceded it." said Hania Sholkamy, an Egyptian anthropologist with extensive experience of the communities of Upper Egypt, from where many Islamist militants come.

"What has this done to our national character? It has just created confusion. When identity is, we can see it has been constructed as a carica-

Tourism appears to thrive

on the fakeness of this caricature. "Smile: you're in Luxor" says a sign on the way to the Hatshepsut temple, where the killings took place. Why smile? The temple is fabulous. The rocky terrain is dramatic. Beyond,

The 'nation'

has all but officially united against the enemy within

the Valley of the Kings is astounding. But why smile? Why not think of history and culture and human achievement?

The response to the incident is part of an inability to handle conflict and accept that there are many facets to Egypt," said Sholkamy. "The caricature element is part of how the country is run."

attack are a product of Egyptian society. Concerted attempts have been made to strengthen the bankrupt caricature.

of the ministry of tourism office in Luxor. It did not appear to occur to him that the killers - all of whom died after the attack - were as Egyptian as he. The caricature is intended

for foreign consumption. As its promotion intensifies in an effort to woo tourists back to the country, Egypt faces heightened tension between the promoters of this image; the muddled and ill-informed dogma of Islamists who draw their own carsecurity has been seriously ancestors.

64,000 people, 20,000 of whom

well as the mainstream of rest rely on the industry Establishment opinion, it is indirectly, is as fragile vital to avoid recognising as the stones to which they that the perpetrators of the guide their "guests" are

But has proximity to Egypt's past grandeur seeped into the consciousness of Luxor's residents? "Egyptians are so peaceful Has familiarity with monuand friendly," said Abu el-ments representing 5,000 Magd Omar, general director years of civilisation, and the obvious value placed on them by the 2m tourists who visit Luxor every year, created a more secure, carica-ture-free sense of identity upon which to build a future

civilisation? "The tourist circuit is cleansed of social elements. Pharaonic-ness is an important source of income. We welcome foreigners to look at it, not because our ancestors built it, but because it's something that we own." said Sholkamy. The implicaicature from Islam's per- tion is that the foreign tourceived golden age during the ist is not expected to associ-7th century; and a govern- ate modern Egyptians with ment whose ineptitude on the achievements of their

The way of life for Luxor's long Egypt can maintain a semblance of political stabiltourist ventures while the its ancient culture a voice in

the formation of its future. How long can "civilisation" be confined to business before it becomes a popular aspiration?

The killings at the temple have forced the country to isation, or whether the historical practice of discrediting the past has set it dangerously adrift.

Islamists reject the pharaonic past as heathen. Secularists reject political Islam as medieval. Nasserites rejected monarchy and promoted Arabism. Sadatism rejected Nasserism and promoted Egypt's pharaonic past as distinct from Arabism.

The Muharak years have seen neither democracy nor dictatorship, neither dogma nor liberty. The government the door to dialogue with the Islamists, perhaps precipitating the emergence of a politi-

before I go blind."

cal pluralism that exists nowhere in the Arab world. Meanwhile, the tourists may start to come for their own reasons. "I didn't cancel my holiday because I have wanted to come here all my life." said an American Woman as she dined in the near-empty restaurant of Luxor's famed Winter Palace The question now is how hotel. "I am losing my eyesight, and I wanted to see are directly employed in ity while denying aspects of the wonder of the world

have survived the infancy of civ-

Oddly, this is not the moral

drawn by Kirsch. One of his pro-

fessed reasons for for retelling

the tales, is a worthy one: to

undermine the various kinds of

censorship which have hidden or

at least obscured the stories

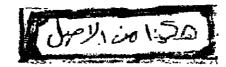
from us. But he also, in a froth

of rhetoric, claims that these sto-

ries show that "the bible affirms

the essential qualities that make

us human in the first place."



#### BOOKS

## Testament to abuse and incest

Women occupy a highly ambiguous place in the Bible, writes A.C Grayling

lowing tale? A man and his wife, arriving late in a strange town, are offered hospitality by a citizen. A gang of local men assemble at the front door, calling for the stranger to be handed to them for their sexual pleasure. The host begs them to go away; when they refuse he says (and I quote). "I have a virgin daughter here, and the stranger has a woman companion; take them instead, and do whatever you want to them; but leave the stranger alone." The gang accept the offer of the stranger's wife; he hands them to her himself: and the text then reports that they 'abused her all night, until the morning,' and that she

ow edifying is the fol-

Judges 19. It is merely the horrible beginning of a dreadful tale, in which the woman's husband battle so that they can enjoy saws her corpse into 12 pieces their adultery; but did we know ment. If, when God came to mur-

tribes, thereby precipitating a use "feet" as a euphemism for had not stopped him by cutting men, they seduce their father to and do ye to them as is good in war in which scores of thousands "genitals"? Naomi tells Ruth to off her baby's foreskin and get pregnant. Their offspring are your eyes; only unto these men of men die and hundreds more go to Boaz as he sleeps, lie next throwing it at God's feet, there women are raped and murdered. to him, and "uncover his leet; would not be much Old Testa-You are a fine casuist if you find and he shall tell thee what to ment either. Nor would there be spiritual enlightenment here; a do," When Boaz is thus woken Hollywood version would not Ruth tells him, "spread thy skirt pass the censors. Jonathan Kirsch retells this

Testament's rich panorama of abound. rape, incest, seduction, fornicathe morning,' and that she crawled back to the door of the bost's house, and there died.

tion and adultery. We are familiar with the tale of Lot impregnating his daughters, Tamar Bathsheba's husband to die in

over thy handmaiden," another euphemism. As one reads the Old and a number of other bible sto-ries to draw attention to the Old ered feet and spread skirts

If there is one thing these sexy - and occasionally horrific tales tell us, it is that women occupy a highly ambiguous place This is a bible story, found in seducing Judah by pretended in the Old Testament. If Ruth Judges 19. It is merely the horri-harlotry, and David sending had not seduced Boaz - ancestor via David of Jesus – there would be little Old and no New Testa-

THE HARLOT BY THE SIDE OF THE ROAD by Jonathan Kirsch Rider £17.99, 378 pages

if Tamar, as she was about to be executed, had not proved Judah's belly - one of them, again, David's ancestor.

mies but - through the Moabite Ruth, ancestress of David, and blind. the Ammonite Naamah, mother of Solomon's heir - they are cru- sionally horrific these tales cial to the history of three reli-

executed, had not proved Judah's the angels arrive at Lot's house, our all this happens. That intemperate, savage, jealous, unreathe door to have them, Lot does Women are often thus the cru-clal link in sacred history; and often too, by sexual trickery and

says, "I pray you, my bretheren, do not so wickedly. Behold now, often too, by sexual trickery and I have two daughters that have the breaking of taboos. Consider not known man; let me, I pray ming from these tales about him icest texts.

and sends one to each of Israel's that the bible's coy translators der Moses in his sleep. Zipporah Lot's daughters: lacking other you, bring them out unto you, the founders of the nations of do nothing." (Genesis 19). Boaz and Ammon, Israel's ene- In this case the girls escape; the angels' smite the Sodomites

> might be, they are par for the human course, and therefore do Yet the Old Testament's not leave as bad a taste as those women are typically treated as about the behaviour of the Old the merest expendables. When Testament's deity, in whose hon-

Affirms a propensity to savage rape and the like? If so, the bible However scandalous and occamakes one deplore both its God and humanity together. There are interesting tidbits in Kirsch's book, but it is written as if by and for teenagers, and is full of exceedingly half-baked theology (and feminist theology, sonable, violent and at that: which does feminism no as the host in the tale above; he blood-thirsty tribal demon is a credit whatever). Read the bible

### The sins of the past

the present. History's high-est calling was to help mod-ocular fascination was ern states avoid the mis- upheld in an Oxford disputatakes of previous tion in 1600, with Thomas civilisations, and Rome's fall Hobbes stating in 1651 that tling with warnings for the

British Empire. In contrast, modern historical practitioners seek to penetrate the intriguing divest themselves of all modern preoccupations at the in the trial, the authors conarchive door. They attempt demn them outright for both to recapture mentalities of cruelty and credulity. From past cultures without intrud-ing current values or the it is clear that both men advantage of hindsight into their studies.

Now an emeritus professor of criminology and a local history buff have joined forces to put didacticism lous interventions show his back into historical investigation, aligning themselves with the 19th-century historian Lord Action who believed "historians should be judges, exercising their right to condemn the sins of

They have chosen as their subject one of the most contentious historical cottage industries, witchcraft, focusing on a trial held at Bury authors champion its reledefendants, such as the two strengthened enough during the past three centuries that "such a miscarriage of justice is now unlikely".

Two widows, Amy Denny and Rose Cullender, were accused of bewitching children from the small East porting the belief in witches. Anglian fishing town of Lowing the death of an infant. After much harrowing testitheir relatives, the women were convicted of witchcraft Geis and Bunn argue that "it seems important to seek lessons from matters that authors see it as an example involve gross injustice," and further "to determine what of people to rely uncritically of present-day value can be on tainted information to do learned from this sorry

in examining this unjust state killing, as they deem it, the authors pin the most witnesses reported their blame on the two main experiences faithfully, and authorities at the trial: the no explanation can be propresiding judge was the famous Jurist, Sir Matthew Hale, and decisive medical evidence was furnished by the eminent physician and author. Sir Thomas Browne. Hale's reputation, the authors assert, has been "tainted" by this event and Browne's "permanently sullied" by his participation. sions as Hale and Browne. Yet although opinion in the nature of witchcraft, that posterity's enormous Hale and Browne were by no means unusual in accepting its validity.

During the 16th and 17th us. centuries the idea of occult Carvi Phillips sympathies inherent in a

he great 18th- and neo-Platonic universe gave 19th-century histori- intellectual credence to a ans revealed the belief in the power of past as a lesson for witches to affect victims at a especially was seen as bris- the trade of witches was "nearer to a new religion than to a craft or science".

Instead of attempting to scrutinised the evidence, using the best philosophical methods and experimental techniques available at the time. Judge Hale's scrupuinsistence on subjecting all

A TRIAL OF WITCHES by Gilbert Geis and tvan Burm Routledge £45, 304 pages

testimony to rigorous proof. Similarly, Browne provided a rational diagnosis for ing on a trial held at Bury the bizarre symptoms. St. Edmunds in 1662. The within the framework of contemporary beliefs. The chilvance by wondering aloud dren's swooning fits he prowhether the position of nounced natural, "but only heightened to a great excess accused women, has been by the subtlety of the Devil. of these which we term Witches." He even cited a similar case in Denmark as a precedent, in his final direction to the jury. Hale discussed the authority supconcluding he had no doubt estoft and, crucially, of caus- such creatures existed because, not only did Scripture affirm as much, but all mony from the victims and nations have provided laws

against such persons. Rather than viewing the and hanged a few days later. trial as a combination of great intelligence applied to a spurious paradigm, the of "the extraordinary ability awful things." The people involved were neither uncritical nor was their information tainted. Victims and vided to this day as to why children were seen to vomit pins or why one of the witches became covered with burns when a toad was

thrown into the fireplace. Confronted with the same evidence at the time, any judicious person might have reached the same conclu-Far from being convinced of condescension for the past, warned of by E.P. Thompson, is still very much with

Ann Geneva

# A tale of greed, servitude and silence

day when I began to be interested in the slave trade: it was 30 years ago. I was dining in London. At the table, among others, there was the Prime Minister of Trinidad, the historian Dr Eric Wil-

Hugh Thomas fell into conversation with Eric Williams, who in turn sent him a copy of his ground-break-ing Capitalism and Slavery (1949). Hugh Thomas conducted "a swift perusal" of the book which introduced him to "the fascination of the 18th-century Caribbean", role that slavery played in a subject to which he subsequently devoted "much

Eric Williams's Capitalism and Slavery is probably the most influential book written about the slave trade in a century in which there has been much scholarly and literary production on this subject. The central thesis of the book is that the slave trade did not collapse because of the moral indignation of the European nations, but rather because the trade was no longer profitable. In other words, the humanitarian zeal which had hitherto been ascribed as the raison d'être for the cessation of trading in human cargo was little more than an afterthought.

Thomas disagrees, Of the abolition he states: "Moral conviction was the determining element". His volume is divided into six "books". It begins with an investigation into the early history of slavery in Roman and Grecian times, and concludes with an overlong account of how Cuba maintained slavery almost into the 20th century. Thomas's examination of the modern slave trade addresses first the Iberian peninsula, as he looks at how the Portuguese and Spanish empires established trading posts in 15th-century West Africa, and then developed the trans-Atlantic slave trade in the early 16th cen-

The effect on the domestic life of Spain and Portugal

T t came in handy to have

the Night. Not that the Lar-

seen the V&A exhibi-

tion about Larsson and

. Swedish style immediately before reading Tales of

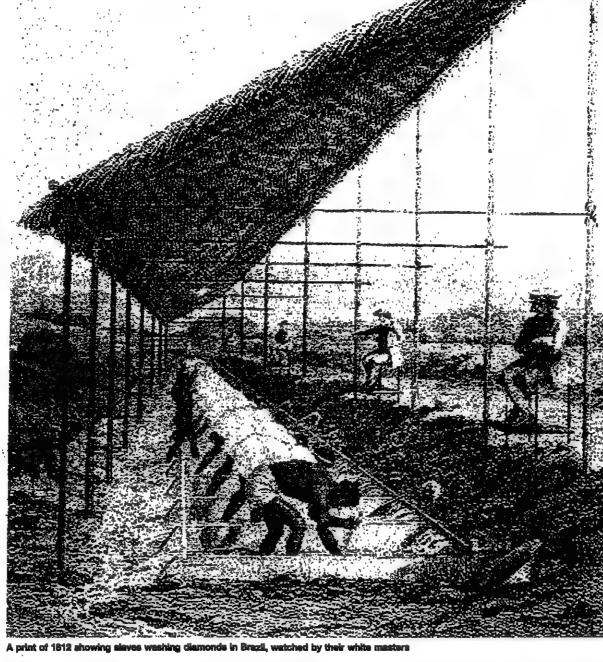
n the introduction to bon had a population of his excellently 100,000 of whom 10,000 were researched new book, slaves: similarly by the year Hugh Thomas is both 1565 Seville had a population clear and candid about of 85,000 of whom 6,000 were the origins of his interest in slaves. But this was slavery, the slave trade, "I remember not segregation: "Blacks it as if it were yesterday the might often be mocked in the street, but they mixed easily, marriage between black and white was not forbidden, sexual relations were frequent, and slaves in Seville were received as full members of the Church". Thomas's account of the

THE SLAVE TRADE: THE HISTORY OF THE ATLANTIC SLAVE TRADE 1440-1870 by Hugh Thomas · Ploador £25, 863 pages

the expansion of the Spanish and Portuguese maritime empires, and the anxieties that this occasioned in the Catholic Church, is by far the richest and most detailed examination of this aspect of the slave trade that is available to us in English.

second "book", "The Internationalisation of the Trade" examines how the northern European Protestant countries rapidly became drawn into the business of slavery. The English and Dutch, in particularly, were quick off the mark, but Thomas quite rightly details the complicity of the so-called "liberal" Scandinavians in the trade. Swedish ships were often "fronted" by Dutch captains and Dutch companies, but the Danes were less squeamish about their involvement, and they profited from slavery for over 200 years.

However, it was the English who, with the founding of the Royal African Company in 1672, soon began to reap the greatest profits from trading in brugh, John Gay, and all the human beings. Sugar, tobacco, coffee and other tropical products, which House of Commons, Black of the trade, soon became and the Lord Chancellor central features of English were all on the lists". social life, and uncomfortable questions as to their ori- century, voices began to be gins were seldom posed. raised against the slave abolition. Enormous profits were being trade. In 1779 Thomas claims



Liverpool, Bristol and Lon-The granting of the asiento in 1713 meant that England now had an exclusive 30-year contract with the Spanish to supply alaves to their vast "new world" empire. A new English company was formed, the South Sea Company, and English complicity with the slave trade was an easily-digested "official" fact of life. As Thomas points out, the list of shareholders of the South Sea Company reads like a directory of contemporary

Britain. "Most of the House of Commons (462 members) and 100 members of the House of Lords (out of a total of 200) were included. So were Alexander Pope, Sir John Vanroyal family, including the bastards. The speaker of the

Towards the end of the

"black boy" in England history of the abolition is to do so without making any don grew at a startling rate. occurred in Liverpool. although he frustratingly provides no textual evidence. Considerable ambiguity surrounded the status of black people in England. Were they to be regarded as slaves or free blacks? Thomas chronicles the various court cases which wrestled with the problem and, as the clamour for the abolition of the slave trade grew in volume so, the voices of black people became increasingly important.

n his examination of the push towards the abolition, however, Thomas makes no reference whatsoever to the extant narratives by black people such as Ignatius Sancho, Ukawsaw Gronniosaw, or Ottobah Cugoano, men who were former slaves and who not only resided in were the natural by-products Rod in the House of Lords, England but took the trouble to write down their stories and played an active and vital role in helping to create the climate which led to the

The omission of these men) to be the determining was profound: by 1550 Lis- made, and the slave ports of that the last public sale of a black voices from Thomas's factor in the abolition, and

disturbing. What, however, reference whatsoever to the is unforgivable is the omission of the voice of Olaudah Equiano, Thomas makes a single passing reference to the former slave, whose autobiography was published in 1789 and whose name was quoted on almost every occasion the abolition was debated in the House. Within five years of its publication Equiano's Autobiography ran into eight editions, and from the time of tts publication to his premature death in 1801. Equiano wore himself out travelling throughout England and Ireland making hundreds of

speeches against the slave That Thomas would attempt to dismiss Eric Williams's economic argument is not surprising. Others have gone before him, although few have been so bold as to attempt to dismiss the space of a single paragraph. But to claim "moral conviction" (presumably on the part of white English-

Hugh Thomas's The Sime Trade is an epic piece of historical research which both expands and reduces our understanding of the slave trade. He expands it by his faultless research, particularly into the Spanish and Portuguese origins of the

considerable efforts of for-

mer slaves living in

England, is inexcusable. And

to appropriate Thomas

Clarkson as "the heart and

soul of the campaign for the

abolition" to the exclusion of

other white Englishmen.

such as the remarkable

Granville Sharpe, is at best

exasperating, at worst non-

modern trade, and in his chronicling of the loathsome details of the actual crossings. But it is presented to us as though the people of Africa and the African diaspora were mute victims who the redoubtable Williams in neither had opinions about, any way masters of their own destiny. This is patently not the case.

### Fiction/Michael Pollard

### Love – when the last defences are down

ssen's world - a stranger to dust - and Hoeg's smokily to confront some pretty a muse - to a different discipotent sequence of stories have much in common. The themselves and each other the blending in distilling the link, perhaps, is a well-pro-There are eight stories, is that masks have to go, another. "The Verdict on They "are all concerned with Finally, we must acknowl- Horatio Landstad Rasker" love Love and its conditions on the night of 19 March 1929." They are also concerned with masks, and what lies behind masks, and how the truth about masks life. The young mathemati- defence is down. Love can is that there is often nothing cian, too, "for whom abso- galvanise, sear and - occa-

> his hands. Bach story is linked - like

unnerving truths about pline. The cleverness is in and the masks they have moment when the edges blur been wearing. The message and opposites bleed into one edge what we are. Some can has a wonderfully funny and manage it - though not the unexpected ending. And "An old Prussian general, who Experiment on the Concan only snort and stump off stancy of Love" shows what in the direction of his old happens when the last lute truth had always taken sionally - redeem. And and just keeps running. He Heart" sets the tone. Three down and puts his head in enough, others - most dan- self-conscious. He adminisgerously of all - love too ters tiny pristine shocks. beneath the gloom.

NIGHT by Peter Hoeg Harvill £14.99, 308 pages

TALES OF THE

by José Saramago Harvill £15.99, 309 pages

BLINDNESS

Hoeg's imagination is dazzling: he scoops up ideas. He pinpoints the divide

senses without ever being pound-word might seem grate. Even when struck swept by a gust of the Zeitpious or recondite. And he things in the reader's mind for ever.

José Saramago's novel is fully affecting. It develops endless, unseeing light. It is At no time is there an grammatically. Tenses are result they are interned in evil began. This is deliber-not at all alienating. This

Where a chilling acronym The white evil spreads. have much in the way of

its victims into eternal dark eyes in the world, and they dark, baroque, and power- it leaves them in a limbo of are rarer than radium. organically, rather than dia- horribly infectious, and as a explanation of how the white liquid, shifting. Nothing is what was formerly an asy- ate. It is also (deliberately)

set in concrete, and the lum for the mad. They are maddening the first of many effect is eerie though - oddly given food, they are given - games of omniscience Saraas they might be by madmen mago plays (none of the the form of numbers," sits where some do not love is clever without being may be because of the ore of - cleaning equipment, and characters have names. The absurdity that gleams they are left to get on with blind do not ask each others' it.

names. They do not seem to

memory of their former There are Absurdist ech-

oes, deft ironies, and occasional passages of great lyrical beauty. There is - dare one say? - something millenbetween the intellect and the or grim pharmaceutical com- Society still refuses to inte- nial about Blindness. It is more apt, the blindness is blind, it goes on not-seeing. geist Beneath the savagery. conjures pictures to fix christened - somewhat lyri- Finally, one sighted woman the desperate emotions and cally - "the white evil," is left - one woman, two ineffable cruelties, this dysbecause instead of plunging eyes. They are the last two topian satire has just enough black humour to make it bearable.

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travellers, thrown into dnessy intimacy, are forced

"Journey into a Dark

behind them.

# The man behind the urinal

Brian Sewell on the career of the father of conceptualism, Marcel Duchamp

white porcelain urinal bowl on its back and dubbing it a fountain. From this fountain fame flowed as readily as water for the sorcerer's apprentice, a ready-made con of such influence that it has been more intellectually cally dominant than any

THE COMPLETE WORKS OF MARCEL **DUCHAMP** by Arturo Schwarz and Delano

Greenidge Thumes & Hudson £145; two vols of 292 and 708 pages

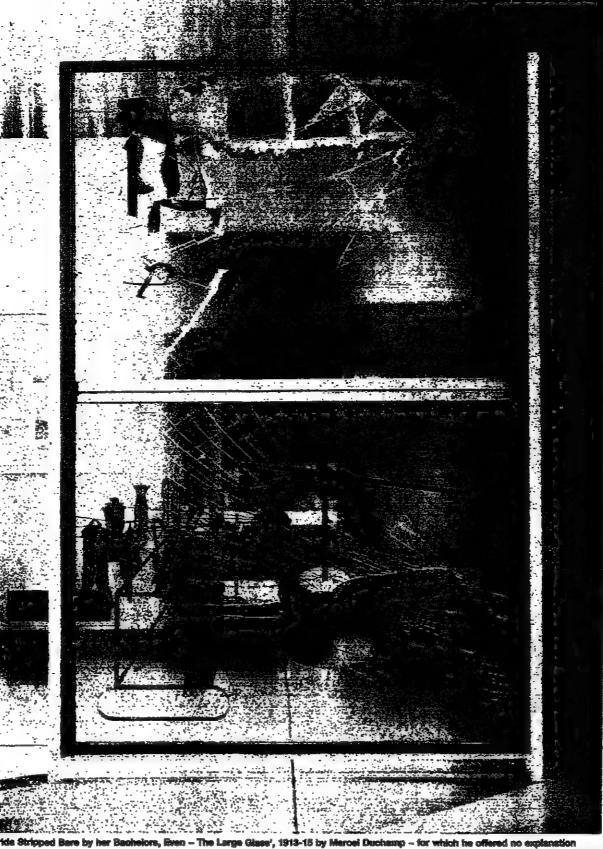
work by Picasso, Matisse or Braque. First shown in New York in 1917, it is, "eighty years on, of undiminished influence in the art schools of the western world" and bids as long fair to prevail as a presiding force even in the Royal Academy as did the nudes of Michelangelo.

In 1916 Duchamp, his reputation based entirely on his work as a painter, was one of the founders of the Society of Independent Artists in New York, but to its first salon the following year he sent no paintings, for he had begun to challenge the supremacy of oil on canvas and to question the nature of a work of art; instead, with the urinal he asked if it is possible to create a work of art from an object that is not niques, and the abandononly *not* art, but is wholly associated with other purhid it from view: Duchamp then resigned, and in a disin-

a r c e l plagiarism - but a urinal is Duchamp is no more immoral than a bathtub, and one cannot plagiarise a plumbing accessory. In selecting the urinal he had taken a commonplace object and treated it in such a way that its function had been replaced by an exclusively intellectual conceit. and in this he was supported by an American critic who argued that the fountain powerful and more stylisti- could not have been achieved by a plumber, but only through the force of an artist's imagination. To those who enquired whether Duchamp were serious or ioking the critic replied that he was both at once. There can be little doubt

that this was so with the urinal, for it cannot have escaped Duchamp that an object designed to accommodate the drainage from men's bladders must, transmuted, excite infinitely more interest than a washbasin. which would have served as a fountain just as well, but without the challenging subtext of its conventional purpose. He had already employed as works of art a bicycle wheel (1913), a bottle rack (1914), and a snow shovel (1915) - this last with broken Arm", and thus clear none of which had stirred prime objective, to be achieved through the free expression of ideas and concept even if this meant the deliberate breakdown of traditional art forms and tech-

ment of painting. poses, and if it is possible to Duchamp what the Mona answers to be provided by the popular mind all other the reactions of spectators works - but one could argue (Picasso later answered the that "The Bride stripped first question, and Charles bare by her Bachelors, Saatchi the second). The Even" (alternatively known society's committee was, by as "The Large Glass") was its own rules, unable to his equivalent of "The Last reject the urinal, but they Supper". The desultory and empirical work on this confection of plate glass began genuous apologia argued in 1915, and was declared the grounds of immorality or 1926, restored in 1936 (with lic..." This could easily be



grotesque alterations), and so immaculately copied by Richard Hamilton in 1965 that Duchamp was happy to sign the replica. It is the largest, most enigmatic and creating a work of art - the image that obliterates from unresolved that no one can guess as to its intended finished state. It is the one work that those seeking to understand Duchamp should ignore, for he himself said of it. "I have offered no expianation ... What is intended is of no interest, what is interesting is the effect the work has on the spectator ... it is nothing to do that they were entitled to definitively unfinished in with me... I have nothing conceal his fountain only on 1923. It was shattered in to say ... it's up to the pub-

collected by Charles Saatchi. Is it possible to understand Duchamp? Born in 1887, the precursor of Dada and Surrealism, inventor of the reedy- Koons, Hamilton, and a host The fountain is to most unsatisfactory of his made, of the assemblage, of of lesser artists; the are not encyclopaedic. The Duchamp what the Mona works, addressed to no par-mechanical contraptions and Duchampian Renaissance first, smaller, volume is of the long and punning school and gallery, this title, and to all intents and nurnoses the inventor of Pop Art, his inspiration ran all but dry after the failure of "The Large Glass", and he not even Duchamp, should turned his attention to roulette mostly and chess, though there were later the bottle rack and the uriworks. minor and mischie- nal in their faces, and now yous. Not until 1963 was he they admire them for their

given a retrospective exhibi-

One such child christened

them the "collapstis";

another explained that for

her to stay sane was as diffi-

cult as winning an Olympic gold medal. This book of

essays and case studies from

the Tavistock Clinic is a cou-

rageous attempt to throw

light on their shadowy inner

Take Samuel, for example,

the product of an unwanted

pregnancy, whose mother

have a brain-damaged child

and returned to work one

week after his birth. Samuel

didn't talk till three or walk

till four. His great fear was

ghosts, who (he felt) wanted

to eat him, and he developed

a special "burp voice" to

repel them. Dead babies

obsessed him, too; he felt responsible for killing them.

Often he would camp under

furniture and blankets in

Or there is Holly, whose

much but, after a disastrou

delivery and post-natal

depression, came to hate her.

Holly talked in a flood of

words, many of them inven-

tions of her own. She always

carried small objects with

her, calling them her protec-

tors: without them she was

afraid she would melt. She

order to feel safe.

worlds.

the apologia of every artist sade to make him a messiah, and his apostles number Warhol, Johns, Naumann, and Wesselmann, Rauschenberg, Oldenburg, Cornell, radiz malorum of contemporary art nurtured by compliant critics and curators. No revolutionary artist

be held responsible for the idiocy of critics - "I threw aesthetic beauty" - and tion (in Pasadena, of all Arturo Schwarz must be forplaces), but since then there given for being more poet has been something of cru- than art historian. The bare the general public.

been scrupulous in finding scrap, but his entries on the major works, though useful, discursive essays, from the poetry of which the reader must excevate the facts - a Duchampian experience. One chapter is mercifully brief; headed "There is no solution because there is no problem" the text consists of one word - "indeed." Adequately illustrated, though more for identification than to thrill the reader, this is a book for auctioneers and tradesmen, and of no interest to

### Country on the road to hell

so slowly to the obscenity : Alegria? Vested Interests the oil must keep flowing are only part of the explan tion. Official discouragement of foreign camera crews has certainly played its part. Protests by human rights groups have gone. unheeded; journalists

what little we do know is Camus told us about the life of the *pied noir* poor, Frantz Fanon described the lot of their black counter-

granted access to scenes of atrocities have filed. And

parts. In his film, The Bottle. of Algiers, Gillo Pontecorvo showed the heroism from sprang. Algeria, a land of cruel deeds under a cruel sun, has remained a comfortably distant myth. No book ever came more

perfectly on cue than Martin Stone's The Agony of Algeria, with its mission to explain. Its thesis is that the issues left unresolved after Algeria won independence in 1962 are at the root of its current predicament. By grounding his argument in a tour-d'horizon of two millennia, Stone shows how com-

Since its arrival in the seventh century, Islam bound together a delicate mix of indigenous Berbers and the Arabised population (which included many ethnic groups). The Berbers were, and still are, a proudly separate minority with their own language and their own sophisticated culture: many converted to Christianity during the French occupation. Algerian Islam traditionally focused on the marabout, the village holy man: it was essentially apolitical, and had nothing in common with today's radical Islam, which is a graft

Stone shows how disgrace ful the French occupation was from start to finish, systematically oppressing the ing their mosques into churches, taking their best land, and leaving them impoverished. But since that impoverishment was universal - the old Algerian elite fied to France with the pieds noirs - it did at least mean that the new state was launched without the impediment of a class system.

A class system, however, quickly emerged: the FLN the liberation army became a political old-boys'

uestion of the club which doled out all the week: why has lobs and contracts. Presi-the world reacted dent Ben Bella and his successors ruled by permission from the army, whose upper echelons became rich and [coi

an

T. P. Carlot

\$ 1500 B

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The riots which erupted in the slums in 1988 were the inevitable conclusion. Indeed, this whole book reads like a sequence of grim inevitabilities: of well-meaning attempts to clean up town halted by vested interests; of a steady spiral in oppression and revolutionary violence. Stone shows how everything that

happened, had to happen.

But he does not excuse the army's fateful intervention in 1992, at the point when the Front Islamique du Salut was poised to win a

THE AGONY OF ALGERIA by Martin Stone Hurst £14.95, 274 pages

democratic election. From admirable attempts to bring the FIS back into politics FIS marginalised, the hardline Groups Islamiques Armees - Afghan-trained and well-used to the taste of blood - were just one more inevitability,

Stone's somewhat repeti tious book will be essential reading for politicians seeking to grapple with Algeria, but it does not begin to confront the questions now being starkly posed. Why do so many of the massacres take place so close to military bases? Why are the perpetrators neither caught. nor even sought? Is the Algerian government engaged in a massive cover-up? Or is that government now a mere vacuum?

This deficiency may be excusable in that the book went to press six months ago, but its other limitations are more serious. One has no feeling that Stone spent much time talking to or in their homes; one gets no whiff of the quality of ists, psychiatrists, actors and singers who have been murdered over the past four years merit only a passing mention: who will speak for their belonguered. colleagues? That is a fob which will require more empathy, and a lot more COUTEER

Michael Church

### Comic genius torn 'twixt pen and stage

chley was America's wit and comic brilliance. best-loved humourist. the quintessential New Yorker writer, a film writer and actor, and a radio star. He was John Cleese, Miles Kingston, Frank Muir, and Arthur Marshall all rolled into one. Stephen Leacock thought him "Shakespeare's equal", yet today none of his books is print in Britain. Even in America he is remembered more as a part of the Algonquin Round Table than for his own work. His gentler, empathic humour seems less quotable than the barbed wit of some of the Algonquin's "vicious circle", and the short films, which established his Joe Doakes as America's Everyman and inspired James Thurber's Walter Mitty, are no longer part of the cultural currency. A major biography

has been long overdue. Yet if Benchley were reviewing this workmanlike effort, he'd probably shudder and say "it's so worthy anyone would think I was dead." paths, torn between the high He would, however, apprecialife of the city and his family one would think I was dead." ate the generous excerpts in the suburbs, torn between

Benchley's life balances on the fulcrum of his first drink, in 1920, aged 31. For-merly testotal and an enthusiastic supporter of prohibi-LAUGHTER'S

GENTLE SOUL: THE LIFE OF ROBERT BENCHLEY by Billy Altman Norton £22.50, 382 pages

tion, the vibrancy of speak-

easies seduced him. He soon made up for lost time. "Don't you know drinking is a slow death?" asked Scott Fitzgerald. "Who's in a hurry?" replied Benchley. He died of cirrhosis in 1945.

Drink is just one of the many Benchley contradictions which Altman details for us. He never tries to conjure a picture of Benchley's New York world, nor of Hollywood in the 1930s and '40s. Rather, Altman traces Benchley's constantly diverging

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n the first half of this from his writing, which have the literary world of New century, Robert Benlost none of their perceptive. York and the fantasy world of Hollywood. The chasm widened as he spent more time in California while his family stayed in Scarsdale. But we never really learn what anyone actually felt. Did his family resent his absence? We can guess that Benchley may have trying to avoid emulating his dependable and henpecked father, but we never know. Benchley actually made

his earliest reputation as a public speaker. Despite the success of his theatre reviews and his essays on everyday city life which set the tone for The New Yorker, it was his stage performance of a bumbling treasurer which set him on the road to Hollywood.

The Treasurer's Report (1928) was the first continuous sound picture made by any studio. Benchley followed it with The Sex Life of the Polyp, and spent the rest of his life torn. "I am not a writer, and not an actor," he complained.

Benchley's best-remembered line, "get out of that wet suit and into a dry martini", comes from a movie, and was actually borrowed from his drinking buddy. actor Charles Butterworth His own original follow-up. "I'd offer you a whiskey sour, but that would mean thinking up a new joke," is a metaphor for the downhill side of his writing career. Today writers like Bill Bryson make a living insisting Americans have no sense of irony. Robert Benchley

might argue that one. liked to imagine taking her therapist's eyes from their lose | The knowledge of them-Michael Carlson sockets so that all the thera-selves".

#### Why children The idea that children can be psychotic is an uncomfortable one. We like to see childhood as a wreak havoc place of innocence, and to recard all infant fantasy as harmless play. But a significant minority of children do exhibit symptoms of psychosis: immersed in bizarre Blake Morrison on a brave attempt to shed light delusory worlds, or besieged on the bizarre, illusory worlds of young psychotics by terror and confusion. they fail to respond intelligi pist would see was an empty bly to ordinary signals and darkness like her own. Her psychoses are also sadly demands and, intentionally or otherwise, wreak havoc words, too, were meant to commonplace. Maternal on those who care for them.

batter any listener into the madness she experienced

Many other disturbed children haunt these pages: Jonathan, who tries to get into the television to cut off the head of the other boy there; Jeremy, who speaks in the voice of a little professor and who thinks it rains inside the house as well as outside; Mary, who is black, and used to wash herself for hours in the bath to make her skin white; Jennifer, who won't do poos, for fear of the conaequences ("My insides will fall out, my heart and bones, I might die."). At times they sound like a race of exotics, and a couple of Oliver Sackslike essay titles here do little to dispel that impression: "A Little Boy Who Did Not Want to Learn Anything", "Jeremy and the Bitten

But the reasons they behave as they do are invari-

ably comprehensible. By "splitting" into separate selves, or asserting omnipotence, or narcissistically withdrawing, they protect themselves from the pain and trauma that threaten to overwhelm them. As the blinded Gloucester puts it in King Lear:

sever'd from my griefs | And

woes by wrong imagin

they're acutely sensitive, finding all light too bright, all sound too noisy, all memory oppressive. Many, when they do begin to respond to therapy, articulate anxieties about falling, liquefying, exploding or disappearing by diving into someone else's eyes. Crucial to their recovery is a sense of "becoming vertebrate", a phrase used by Anne Alvarez in her

Live Company.

Many of us have little notion of how therapists work with children, and this makes the detailed accounts of therapy sessions here Yvonne who tells me she intervention that will help.

The deeper roots of these especially fascinating, I supneglect is one recurrent theme, sexual abuse another. The most severe cases are children in therapy are invited to play - with toys, Plasticine, crayons, water or

not the hyperactive ones but those of shell-like autism. where the children seem to possess only the dimmest sense of being a person at all, let alone a sense of time

PSYCHOTIC STATES IN CHILDREN edited by Margaret Rustin, Maria Rhode, and Alex and Helene Dubinsky Duckworth £12.95, 224 pages

or place or gender. They are form waiting for content, disparate bits of matter needing to assemble themselves into a whole. Often, excellent book about autism.

pose I vaguely knew that, whereas adults on a couch are encouraged to explore their feelings and memories.

whatever the therapist has But I had certainly never realised the extent to which therepists interpret children's actions out loud to them, even as they are being performed. The discourse that ensues can sound deeply weird. For example, Lynda Miller recalls a conversation with a sexually abused seven-year-old expelled from primary school for uncontrollable

sexualised behaviour: "She came close to me for a few seconds and showed me her stomach, saying she had a 'rash'. I said that Yvonne wants me to know this sexy stuff isn't good for children, but she feels that it goes on and on inside her and comes out on her skin it fills the room, spills out in floods - all over me (she was splashing me)... She 'sucked' the water from the tap and spat it out repeat-

wants a drink but wants to make more and more weemess everywhere. She isn't going to let me be a therapymummy who can feed the baby Yvonne."

This may be brilliantly insightful, or it may, to an already abused child, be a form of mental battering, it's no surprise to read that Yvonne often screamed to shut out her therapist's voice. Reading the book, you can't help wondering whether kindness, attentive ness and silent approbation (which are here too) aren't worth more than noisy interpretation. But most of the children do come out of their shells. Even when the therapy doesn't deserve to work (as with the crasser Freudians and Kleinians here, who interpret every stick shape as a penis and every circle as a breast), it seems to

The child's feelings about the therapist - "transference" as it's called - is an essential part of the healing process. Sometimes therapists are identified with a hated adult of the past, and subjected to vengeful attacks; sometimes they are clung to as impossibly idealised love objects; almost always, a holiday or break in routine, or the child's fear that therapy may end, will

cause panic and distress. For therapists, it is a nuge burden of responsibility. A few of them fail the test by approaching their cases no cult texts ripe for literary-critical elucidation. But most here are both sensitive and deeply knowledgeable, not edly, laughing. I said that least Margaret Rustin, who there is a little Yvonne who ends the book on a cautionwants to have milk from a ary but optimistic note. It is therapy-mummy Mrs Miller, natural, she says, for parents but she shows me that it to hope that psychotic and changes into wee in her autistic children can be left mouth and I become the to "grow out of it". But all sexy lady who tricks her, the evidence suggests that and she is the little tricky on the contrary, it is early

# **Iconic** stares and ironical blankness

William Packer reviews the work of Alex Katz

lex Katz is now 70. Born in Brooklyn, he studied in New York in the late 1940s and, as a young artist orbit of the Abstract Expressionists, who then had the art world at their feet - Pollock, Rothko, de Kooning, Kline, Guston and the rest. He was no Abstract painter himself, let alone an Expressionist, but the influence and debate were of fundamental importance to him in fident gesture. confirming his own contrary

If there is an affinity, it would be to the Pop Art that for specific strokes. And the emerged in America as brushes are laid out. When I counter to Abstraction, and to such artists as Warhol, Rosenquist and Wesselman in particular. From Warhol, one might think, comes the blank, ambiguous presence of face or figure, and Katz's ironical emotional detachment. From Rosenquist you're making, so you have comes, perhaps, the loose, free-wheeling quality of paint and surface, that one finds in the work of billboard artist or scenerypainter, a flamess not as flat as it looks. And from Wesselman would have come both that open sensuality of colour and a more ambiguous, sed sexiness in the imagery. And in his turn Katz may have influenced

younger painters, such as David Salle or Eric Fischl. But the truth is that he man. By the end of the 1950s he was already fixed in the personal, mannered quality of his painting, with its flat. open surfaces, clean, unmodulated colour and simple, allusive, stylised drawing that he has stuck to ever since. Yet of all the established artists of his generation, with an enormous number of exhibitions in the US to his credit. Katz has remained oddly parochial, at least in reputation. This show at the Sastchi Gallery is his first major outing in London in eight years, and only his third in the 25 years it covers. It is an intriguing mixture, and surprising in the variety of its subjectmatter, since we have seen so little of it here - and yet it is quite as consistent as expected in approach, tech-

nique and general feel. The canvases are for the most part huge, taking wonderful advantage of the vast

always been Katz's habit to

amplify the image from the first tiny, rapid sketch or study to the largest scale, of which process the characteristic blankness is a natural in the 1950s, moved in the function. But this very amplification, especially with the recent, impressive tree-scapes, also re-emphasises its peculiar quality of painted scenery - painting, that is to say, worked from the shoulder with the full sweep of the arm, laid direct on the surface with one con-

"The colours are premixed", he tells us, and "I have to get specific brushes have to do a branch I have a specific brush that will do that branch. And the strokes, it's a wet-in-wet procedure... And you have to have a brush with the right amount of paint on it. And that's an eight-foot line to have a lot of control."

he figure compositions tend to be more contained. more passive and considered, with the artist keeping his distance, uninvolved in the narrative he gantly coiffed executives confer: friends sit silent together on the beach; young men and women, immaculate in their summer clothes, wait quietly for a game to start: under her umbrella and headscarf, a woman walks, impassive, through the rain. And in all of them the drawing remains disarmingly off-hand and light in

its reductive simplicity. Katz speaks of the impor tance to him of the sestures he visits upon his figures, though they be little more half-smile, a turn of the head. "I am very conscious of trying to make gestures very clear ... When I saw the David with the three swords ("The Oath of the Horatii") I thought of three guys with cigarette lighters and a woman with a cigarette ... And I think Piero is like David, making clear gestures that communicate." He speaks, too, of Rubens, Veronese, and the Baroque in and inescapable quality of general. He also brings in



comic illustration, though of Manet, Monet. We begin to fected kind. But below there He other, more complex ref-The truth is simpler, his erences, intuitively felt or art-history something of a perhaps only half-acknowl-

smoke-screen. Rather there edged, hints of the narrative is to his work an obvious cycles of Giotto, for example, or of Egyptian tomb-paint-Watteau, and Rembrandt, a straight-forward and unaf- what he calls "the static quality in a gesture" -which brings us back to that iconic stare and ironical blankness. Katz is no realist,

no pop-artist, no commenta- 

Alex Katz - 25 years tor on any art but his own. which is his sole reference. He is simply the painter of the modern conversation piece, cool, quizzical, and sophisticated for all his talk. There is no-one quite like

painting: The Saatchi Gallery, 98a Boundary Road. London NW8 until April 12; open Thursdays to Sundays 12-6pm, or by appointmen (0171 224 8299). Sponsored by Taittinger

Television/Christopher Dunkley Comic tastes

stay constant

content of the latest series of Channel 4 (Benny Hill last Monday, Peter Cook next and Tony Hancock), there second to be something a bit odd about David Liddiment's

eginning of this week ou. television comedy. As director of programmes for ITV he was announcing. with chief executive Richard Eyre, the scheme which they hope will stop the steady

This fall might seem unremarkable, given the continual opening of new channels, but for the fact that the RBC has withstoo the new competition better. Liddiment noted that sitcoms which can be watched by the whole family and command respect are almost extinct. Three of last n The Future, Blind Men and Holding The Baby affracted, on average, only 5.9m viewers per episode. some of the smallest udiences on record for peaktime comedies. Yet the repeats of old BBC hits (the most notable was probably Are You Being Served?)

managed 9m or more. According to Liddime all channels have struggled to create new consedies for screening before the 9.00pm watershed which were as funny as Dad's Army, Are You Being Served, Steptoe And Son and so on, but nsuccessfully. Did he then go on to say, "So we have decided to drop political correctness, feminism, laddishness and four-letter words and get back to the sort of comedy that most British viewers have always fibed and obviously still like"? He did not. Instead he promised to foster the talents of people such as Frank Skinner and David Baddiel, notable for addishness and, always in their live acts and sometimes on televisi four-letter words

How can people such as Liddiment be in any doubt about what most British viewers like in the way of comedy? Britain's most mecessful comedian from the television are has been Benny Hill. In this week's Heroes of Comedy, produces John Fisher showed that Hill had some brilliant visual concepts, such as the stripping skeleton, which combined the attractions of Gypsy Rose Lee with the Black Theatre of Prague. But the programme left no doubt that Hill's chief asset was his schoolboyishness, a quality which, for some of us, meant the spieger rather than the belly laugh, the sly insinuation rather than the

Yet vast numbers of people clearly adored his programmes. They were largely successful, not only

in the UK but around the world, and were suddenly dropped by Thames TV in 1989 when they were still getting audiences of 9m and more. The wives of certain top Thames executives were said to consider HUI (and the screening of the Miss World contest, which was also scrapped) "sexist".

Television might find its

way back to winning big comedy audiences if, instead of contracting to make yet more series about man-hating flat sharers, the commissioning editors were to sit down and watch the They would discover that even Peter Cook -- of Private Eye, Beyond The Fringe and the Establishment Club created material for television which was bene in the middle of the mainstream of the British comedy tradition. Tony Hancock's material was often far more weird than Cook's, though the attitude underlying it were deeply conventional. As for Askey, he was the epitome of British testes in humour. He was at his best in pantomime, the only form of live drame which pulls large numbers of Britons into the theatres once a year.

hese excellent one-hour programmes do not pretend to be anything but tributes. Cook's drinking and ennui are acknowledged, as were Hill's peculiar character traits concerning money and (in no great detail, edmittedly) women. But the strength of the series lies in the fact that it pulls together such rich mixtures of the best examples of the work of these comedians. From Cook you get the wickedly funny sketch from Beyond The Frince in which the RAF requires Perkins to make a useless gesture, the "anidexter" andition for Tarzan, a bloody Greta Garbo stark naked hanging from the window-sill, the bottoms following you round the art gallery, and much more. With Askey not his cinema films but, surprisingly, filmed skits from his radio series. Band

Anyone who has followed Heroes Of Comedy from the beginning, watching the programmes on Max Miller. loyer Grenfell, Tommy Cooper and others, and who has noticed the continued success of Dad's Army and Are You Being Served? with new generations, must surely realise by now that British tastes in comedy do not change very much or very quickly. Of course you can get an andience of sorts by making series which eer at men or ape American political correctness. But you will get a much bigger one if you known to Chaucer. Shakespeare, and Bric Morecambe.

his agonised piano-parts. It was certainly an experience. Not so much an experience

Hampson's near-Expression-

#### unday means Med by definition is as wide as what the media themselves are covering. Needless to say, this consistently excellent programme is for the chop in the new schedules. No wonder last Sunday's edition dealt with dumbing-down and the tabloidisation of the media. How apt, now that Radio 3's music content has turned into Classic FM with its (in the cheapest sense) journalistic approach to the lives and loves, splendeurs et misères of struggling Schutz, Bonn bombshell Beethoven the deaf dynamo, fatty "foureyes" Franzi Schubert and love 'em and leave 'em Liszt. Not all these have come to pass, but they will, listeners,

they will. Meanwhile Joan Bakewell re and Richard Baker are back. the bland leading the bland. She politely feeds the likes pe of Joan Sutherland and Nevas ille Marriner such probing ch are hard workers and adds pa admiring comments on their m talent. He now sounds perfunctory, stale and mechanical, borne out not just by Radio 3's Sound Stories ("the

#### **ARTS**

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### Radio/Martin Hoyle Style rather than content

stories behind 1,000 years of great music", to quote the Reader's Digest-like blurb), but also by a new Radio 4 series. In the first of The Musical Directors Baker rattled through perfunctory conversation with Sir Peter Hall as if the producer had told him to get it over as fast as possible. Baker's uninterested grunts constantly interrupted the most interture, even counting Chris emotional block in his own Smith, before mechanically life. delivering the next prepared lacklustre question. Hall's range of reference and refusal to patronise still made this a product superior to much of what Radio 3 now puts out,

Still, Radio 3's controver-The opening programme on Kafka's Metamorphosis reas-Suringly gave us transatlanpher André Kertesz, was with a less hackneyed sub-

mark with Lewis Carroll's centenary. Last Sunday's feature on Sylvie and Bruno modern work, stories in three simultaneous worlds. The fantasy sounded better than Carroll's conventional material. His idea of flirtatious conversation between witty young things - on the nature of the sabbath - conesting man in British cul- firmed theories about some

adio 4's dumbingdown is sometimes a matter of style rather than substance. God on the Couch is meant to be about religion but emerges as psycho-babstal Centurions is promising. ble presented with an accent that at first memod less mid-Atlantic than bi-littoral, owing as much to estuary tic academic tones in case it English as to another eastwas all too European for the ern seaboard. By the second BBC. The second pro- instalment Aric Sigman (for gramme, on the photogra- it is he, and yes, you may well ask) had plumped for more interesting for dealing American and was aided in his clarification of our pay-

nest American lady profes-sor apparently called Beverley Wipple, or possibly Nip-ple, and the Bishop of Maidstone. I await the latest imported craze: WWJD lockets and insignia, standing for "what would Jesus do?", a sort of spiritual chastity belt much in vogue with the devout youth of the new

Another American aca-

demic was enlightening and provocative in the first of Beyond the Millennium, in this case a military expert sing the possibilities of war in the next century. Not only was he fascinating in the suggested scope of motive and method (smart weapons could be genetically targeted against certain skin or hair colouring, a mini-mclear war could be a salutary inoculation against the fullsized thing) but he was actually cautiously optimistic. The item held your attention because it was free of funny actual-effects, blasts of music and zonked-out presenters. It was that old-fashioned thing, an excellent interview, here with the excellent Sheena

McDonald The Americans were over here in force this week with Kennedy's Secret Topes. Britain has countered with Empire. The former concludes next week, the latter has three programmes to go. Both are triumphs, of which more next week. If Radio I ha now background for hooverject. This augurs well; but chological need for religion ing, Radio 4, for all the shad-then it is not a music pro- (lots of it to do with sex) by ows on the horizon, reminds

liss, more or less, at the Wigmore Hall Mozart concerts by the superlative London String Quartet and the planist Stephen Kovacevich. and two more - of Schubert and Mahler - by distin-

guished but quite different solo volces. sold out was by the German-Canadian tenor Michael Schade (accompanied by Graham Johnson, which is already a significant accolade). He is a relative newthrough his recent recordings with John Eliot Gardiner et al: Bach. Haydn. Mozart, even Wagner and Verdi. Here, though, he sang only Schubert, in beautifully stried style. The Schade voice is a true

high tenor, white-ish and sweetish, often with the ring of an innocent treble, but capable of sormising masculine force. As his Wednesday recital went on - 17 songs. mostly early, with no interval - we discovered a sunny. even chirpy personality behind his immaculate diction, projection and musicianship. That came into play wherever a song needed it; elsewhere it receded in favour of a shapely, ultra-elegant line.

Early Schubert - spring. maidens, raptures and griefs was perfect for him, and

### Music in London/David Murray Songs, strings and wind

The few later songs exposed The only one that wasn't the real metal in his voice, which surfaced only at the right places, but to formidable effect. His combination of easy, lucid German with an exact sense of period-mucomer, known here chiefly friendly North American openness too, amounts to a great and very welcome virtue in this cut-glass reper-

> ichael Collins, a great clarinettist, organised the London Winds' concerts which presented all of Mozart's best music (or small ensembles with winds. Since the London Winds soloists are all from the Nash Ensemble and/or the London Sinfonietta, not much needs to be

Philippa Davies' liquid, gurgling tone made the first flute quartet sexy, Gareth Hulse was pawky and witty in the oboe quartet, Richard Watkins brightly virtuosic in the born quintet and also in the great piano-and-wind quintet, K452. Collins himhe did it graceful but sharp-edged justice (with John-the "Kegelstatt" Trio, no less

net Quintet. The Vogler Quartet were always creative partners; and at the piano, which usually sounds flat and disappointing in Mozart's late pieces for glass barmonica. Kovacevich drew magically blurred, evocative aounds from his instrument. On Monday the American baritone Thomas Hampson sang most of Mahler's Wienderhorn songs, urgently partnered by Wolfram Rieger at the piano. It was a memorable occasion: the clarion Hampson voice sensational and grandly dominearing, Rieger competing hard with

ist responses to these mostly early, folksy-but-subtle songs. By his second half, which crammed most of the death-haunted songs together, Expressionism had quite taken over. The songs grew ever slower, their lilt and their rhythm often lost. while Hampson howled like the Kraken - to tremendous dramatic effect, but wrecking Mahler's delicate balance between temperate popular forms and blacker, more desperate feeling. It wasn't Mahler, but a violent "interpretation" of him that created its own special effects. One of these days.

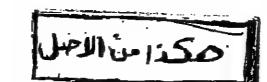
Hampson will make a mag-

nificent, heart-tearing Woz-

zeck - but Mahler's Wunder-

horn songs are not the right





Ta

### Inspired by the sound of Bach

Michael Church talks to cellist Yo-Yo Ma about his latest venture - into film

Yo-Yo Ma has also recorded the soundtracks for the films The Tango Lesson and Seven Years in Tibet. If that sounds promiscuous, consider the stunt he is about to unveil: six films by six different directors, where he will form the link. What has a modern medical thriller got to do with kabuki, or 18th-century prisons with contemporary pleasure-parks? Nothing - until they are linked by

the thread of Bach's cello suites. Where did Ma get this idea? He blinks, then launches into hectic free-association. He was asked to play at a symposium for doctors and social workers, which led him to reread the writings of Albert Schweitzer, "who was the first man to fuse musical and social action". He had been grappling with the problem of defining what music is: "Is it a matter of shapes, images, ideas, or memories?"; and of how we perceive it: "Through the neuro-muscular system, or through the emotions? Each is a way of getting into it, and each is valuable. But what is the total value?"

over the possibility of collaborating with the choreographer Mark Morris, with the skaters Torvill and Dean, and with the kabuki actor Tamasaburo Bando.

One thing led to another and, two years later, the six films collectively called Yo Yo Ma: Inspired by Bach - are about to be screened. And what a heterogeneous bunch they are. His first thought for a connecting link was Shostakovich. "But Bach is universal. His universe is so wide and his empathy tremendous - sacred and secular - I've played the same suite at friends' weddings and friends' funerals. It had to be him." Ergo, one film each for the unaccompanied suites.

The least successful films are those in which he has had least to do, beyond sitting down and sim-ply playing. The Canadian-Armenian director Atom Egoyan has wrapped him up in a convoluted but uninvolving mystery. "Not my idea," says the cellist disarmingly. Nor did Ma have anything to do with the script of the final film, in which Bach (played by a brash

phy. "I wouldn't have done it that way, but the essence of collaboration is that no one person has control.

On the other hand, Ma's collaboration with director François Girard (the maker of 32 Short Films About Glenn Gould) is a stunning piece of work. Entitled The Sound of the Carceri, this places the cellist in a virtual landscape created by computer from Piranesi's prisondrawings. Amid the louring vastness of the dungeons, Ma cuts an ant-like figure, but his music soars majestically. This film is an essay on music and architecture, an exploration, "in a venue which does not exist", of acoustics. Ma explains, "I spend the day before a concert walking round the hall, and adjusting the furniture. Moving a chair or piano a few inches

can make or break a performance." Devotees of Mark Morris will love the film in which his company translate the tumbling opening of Bach's third suite into a communal lemming-rush. Those who can't take Morris's landmark narcissism will find it irritating. But Ma's col-

"This is work," says Ma, "which emerges from the depths of despair, and involves layers of loss, mourning, and reconciliation." The resulting film - about fathers and sons, and sexual ambiguity - is a perfect amalgam of music and gesture. Watching it, you would never guess that polio left Bando with one leg shorter than the other, so gracefully flowing is his movement. But you do sense that this is the work into which Ma most fully. puts his own story - a fact he

"This music was a work my father loved, which I played to him as he lay dying in hospital. He had been a violinist, he was a musicologist, and an amazing scholar. I don't have his intellect, but I do have some of his idealism." But emulating his father was not initially on Ma's agenda. "I practised my cello efficiently, but I didn't love it: it was only after working in the Kalahari, and studying the world from an anthropological point of view, that I could finally put it all together and say, 'Now I understand'. I saw that performing is not a matter of proving but shar-

readily corroborates.

made in the opening film of the series, The Music Garden, are of a directly practical nature, as residents of Toronto are discovering. A precinct is emerging on land by the river where music and dance will be the order of the day. This utopian dream was originally planned for Boston, but foundered there for lack of funds, so Toronto picked up the pieces. This film is by turns naive, pretentious, and endearing; Ma's designer-collaborator, Julie Moir Messervy, seems to think the world duty-bound to indulge her

pastoral whims.

But the cellist himself is realistic. "Okay, I'll play there every so often, but the community's got to make it work. There's a school nearby, and a ballet company, and a conservatory. If those people take it on, it will live." It opens in Sep-

The films are to be screened at the National Film Theatre in London on January 27 and 31; they will be broadcast on BBC2 from February 7. Yo-Yo Ma plays at the Wigmore



Yo-Yo Ma: 'Bach is universal ... I've played the same suite at ds' weddings and friends' funerals ... It had to be him'

Exhibitions in 1998/Susan Moore

# Treasure troves and artefacts

success of the New York Met's Byzantium show and the treasures from Mount Athos at Thessaloniki, museums and gal- the hands of Negroli and his Milanleries intend to wow the public ese workshop from 1530 to '50, with more extravagenzas of early Christian works of art during 1998. The Grand Palais in Paris prom-

ises the most dazzling offering: Art cal heroes, Paintings, drawings and at the Time of the Accursed Kings: Philip the Fair and his Sons 1285-1828 (March 21-June 30). The reigns of St Louis and Philip IV enamel trade in early-14th century Europe, and the art of ivory carving flourished. On view are scuipture, stained glass, manuscripts, seals, coins, textiles and all manner of objets d'art.

Vatican Treasures at the Cleveland Museum of Art offers just 39 outstanding objects, ranging from the gem-encrusted sliver-gilt cross of Justin II, a gift of the Byzantine Emperor to the Pope in the 6th century and the sumptuously illuminated Christmas Missal of Alexander VI, to the finest surviving suite of Renaissance liturgical garments and altar cloths, intricately woven in gold, silver and coloured silk threads with scenes of Christ's Ministry and Passion. Last but by no means least comes Caravaggio's nearly 10ft high "Entombment of Christ" (February 8-April 12).

More contentious treasure-trove is to be found at the Hermitage in May. The museum stages an exhibition devoted to the German merchant and amateur archaeologist Heinrich Schliemann, who made a fortune in St Petersburg and spent It excavating the site of the ancient city of Troy. In 1873 he made what he described as "the greatest discovery of our age", what he believed to be King Priam's treasure. His collection was presented to the German nation, but was appropriated in 1945 by the Russian Army's Trophy Brigade, and its fate remained unknown until recently. The gold - though some believe it all fakes - is in the Pushkin; the ceramics and bronzes are in the Hermitage, and the latter go on show for the first time since

In Moscow, meanwhile, at the Treasures from the Tower, highlights from the collection of the Royal Armouries in London (until mid May). In June, the Kremlin

fter the phenomenal Tower of London. Later in the year, the Metropolitan Museum in New York presents Heroic Armour of the Italian Renaissance: Filippo Negroli and his Contemporaries. In parade armour was transformed into spectacular relief sculpture inspired by the deeds of the classiprints complement the show (October 6-January 31, 1999).

China: 5,000 Years must be the period between the end of the most ambitious show of the year, at New York's Guggenheim was one of the most brilliant of Museum (February 6-June 3) and French Gothic art. Under the Guggenheim SoHo (January 29patronage and control of Philip the May 25). A reflection of America's Fair, Paris became the centre of current passion for Chinese antiqthe goldsmiths' jewellery and uities and interest in its contemporary art, the show brings us everything from Neolithic jades and archaic ritual bronzes to Han and Tang pottery tomb figures and Buddhist sculpture to Song, Ming and Qing porcelains, scroll painting and calligraphy.

> or those who missed the blockbuster Chinese Imperial Treasures from the National Palace Museum in Tapei, the show now comes to the Grand Palais (October 6-January 11, 1999). When in New York, it drew an average 8,000 visitors a day. On a more modest scale, the Percival David Foundation in London offers Rare Marks on Chinese Ceramics (October 1-March 31, 1999); the Fitzwilliam in Cambridge, The Lost Century: Japanese Arita Porcelain 1720-1820, a show of some 350 pieces from western collections presented in the light of new research in Japan (January 20-April 5, Royal Museum of Scotland, April-July).

In terms of western ceramics, London's Royal Academy offers us Picasso: Sculptor and Painter in Clay, September 17-January 1, 1999. This will be the first exhibition devoted to this near-neglected aspect of the artist's work, presented with paintings, sculpture and prints to demonstrate the cross-fertilisation of ideas between different

British Delft from Colonial Williamsburg, the world's second largest holding of these highly decorative earthenwares, charts their manufacture, purchase and use in England and colonial America. Wadsworth Athenium (February Kremlin State Armoury, there is 8-April 5). 3,000 years - everything from models of gods and hippos to cosmetic boxes - are promised in Ancient Egyptian Faience. This international loan show opens at reciprocates with over 100 of its the Cleveland Museum (May 10finest objects, destined for the July 5) and travels to the Rhode



A sumptuously illuminated page from Pope Alexander VI's Christmas Missal, which is one of the 30 outstanding objects from the 'Vatican Treasures' exhibition arriving at the Cleveland Museum in February

Island School of Design (August 34-January 23, 1999) and to the Kimbell Art Museum in Fort Worth later next year. Those reluctant to visit modern-day Egypt might like From Tombs, Temples and Palaces: Treasures from the Egyptian National Museum in Cairo, at the Kunsthistorisches Museum in Vienna, August-October.

Last year was the year of Cartier, in 1998 the spotlight falls on Chaumet. Chaumet Paris: Two Centuries of Creativity charts the jewellery, objets d'art and silver made by the firm from the age of Napoleon to the present (Musée Carnavalet, Paris, March 25-June 28). At the Cooper-Hewitt in New York (February 3-April 12) and the Smithsonian in Washington (May 15-August 15) is The Jewels of Lalique with jewellery, glass and design drawings from the Art Nouveau master-

craftsman. The Metropolitan Museum, meanwhile, celebrates the 150th anniversary of the birth of Louis Comfort Tiffany with examples of leaded-glass windows and lamps, blown-glass vases, furniture, metalwork, enamels and jewellery drawn from its own collection.

Charles-Honoré Lannuier was responsible for introducing le stule antique to America after his arrival in New York in 1803. The first comprehensive survey of his Graeco-Roman revival furniture is staged at the Metropolitan Museum, New York March 17-June 14. It is the beautifully crafted utilitarian furniture created by the Shaker communities in America, however, that comes to Britain this year. Shaker: The Art of Craftsmanship, presenting some 100 objects drawn from the Mount Lebanon Shaker Collection in New York, shows at the Barbican Art Gallery, London, (January 22-April 26) and the American Museum, Bath (May 16-October 18).

Finally, the major show at the Victoria & Albert Museum in London is devoted to the greatest of all decorative woodcarvers. Grinling Gibbons and the Art of Carving offers an insight into how these extraordinary limewood swags of fruits and flowers and leaves were actually made, thanks to the recent restoration of his work at Hampton Court Palace. His masterpiece, the Cosimo Panel, commissioned by Charles II as a gift to the Duke of Tuscany in 1682, is a highlight of the show, which also includes church altarpieces, canopies, overmantels and a selection of his limpidly beautiful drawings (October 22-January 31, 1999).

### Opera/Pierre Ruhe Gergiev's Boris

Opera has once again taken on the issue of Musorgsky's stark, unorthodox orchestration of his great Russian epic, Boris Godunov. This season's Boris, revived in the solid production by August Everding and Ming Cho Lee, premiered a new orchestration of the score by the American musicologist igor Buketoff.

The opera's fame spread through Rimsky-Korsakov's omanticised and convenionalised orchestration. Since the 1970s, the Met has sworn by a (mostly) original version of the score, although in performance hundreds of minor "touch ıms" were deemed necessary by sundry conductors. Despite claims of restoring the composer's unique voice. what the Met played blunted the score's roughest edges and smoothed its lumbering

So although expectations were frankly mixed for this pit was Valery Gergiev, the most convincing interpreter of Russian operas today. If any conductor could extract seemingly pure Musorgsky from Buketoff's revision, it

would be Gergiev. Yet what we heard sounded far removed from Musorgsky's deflantly original, almost cubistic style. At times Buketoff's orchestration is heavier even than Rimsky's: much of the Polish scenes of Act 3 was as lush and seamless as a Tchalkovsky ballet. As Musorgsky scholar Richard Taruskin wrote, previewing this version, that Buketoff's orchestration seeks "beauty, not truth". We are impressed with the polished grandeur without coming any closer

to Musorgsky's intentions. As the title character, Samuel Ramey conveyed the authority and weight of the self-tortured czar, yet his cold delivery left a fully developed psychological por-trait unfinished. His Boris remained remote because we never felt his torment. In

he Metropolitan as if she were born to the part of the Polish princess Marina. Her dark, full mezzo enriched a characterisation that was queenly, regal, ambitious and petty.

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There remained the problems inherent with an international cast: although Ramey's diction and pronunciation were excellent, he couldn't compare with the idiomatic singing of Sergei Larin as the pretender Dmitri or Constantin Plujnikov, who sang a whiney, wellrealised Shuisky.

Throughout the evening it was Gergiev and the responsive orchestra who drew the listener's ear. They shaped supple long lines, and imbued details with colour as few other partnerships could. Now that Gerklev (who remains director of St. Petersburg's Kirov Opera) has been appointed the Met's principal guest conductor -he will lead eight productions over five years - it

appears a pipeline between the two companies has been will sing in New York; the wealthy Met can help the financially struggling Kiroy with co-productions and a hospitable venue for its annual tours. This high level collaboration appears doomed for artistic success.

ollowing Gergiev around can be an exhausting experience: after the Same day matinee performance of Boris, he conducted the New York Philharmonic in Mahler's Sixth Symphony. Though his Mahler contained fresh passion and lucid excitement, it was rarely moving. Gergiev interpreted like an Italian, and put flowing melody clearly ahead of harmonic backbone. A sense of journey (spiritual, philosophical) was missing. He fired the second movement with martial chords and brutal percussion, as if Mahler pre-figured Shostakovich. And the tranquility of the Andante Moderato was charged with a nervous energy - a characcontrast, Olga Borodina sang teristic result from Gergiev

### Theatre/Alastair Macaulay One man's psyche

east three genres that I have come to regard with alarm - the one-man show, the Aids play, the memory play – it confounds my doubts. A stage adaptation of Dale Peck's 1993 novel Fucking Martin, its memories are ragmented.

It is John who addresses us. His victimised mother, his punitive and alcoholic father, the parade of his bygone male homosexual lovers, his eyewitness account of the Aids-related symptoms of dying lovers, his life-changing relationship with one truly loving lover he delivers these to us non-chronological sequence, and only gradually do they add up into a portrait of a life and a

psyche.
John is played by Sean O'Neil, who is also responsible for this dramatic adaptation. At first, Martin and John seems to be largely a display of actorly virtuosity: as the play (directed by Eileen Vorbach) proceeds,

lthough Martin and drops that façade, and why John belongs to at Although his performance goes on qualifying as a cour de force, it increasingly immerses itself in the experience he is describing to us. we react less and less to we react less and le

him, more and more to it.

Martin and John contains one of the most shocking accounts of what I would term as sexual perve that I have heard and cer tainly the most explicit account of Aids related symptoms. By the time you reach these points, however, what hits you hardest is what they reveal about the psyche that is being so painfully, yet coolly, revealed.

John writes/speaks his tecollections with a certain distance that is part of the drama. In trying to recount the facts of his past, in try-ing to analyse his own fell-ings and/or lack of feelings. he is bit by bit coming terms with himself. You are plainly aware that you are witnessing a Liebestod of

TOLD BONG

Bush Theatre, London W12 however, you see how John until January 31.

its seriousness.

sorts, and are compelled by

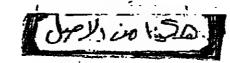


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FOOD AND DRINK

# Yippee – round-up time for cowboy cuisine

John Fitzgerald finds new interest in chuckwagon cooking

Allen at a corner gary restaurant, as he lifted a bottle of chardonnay cool- neckerchief, denim jacket, or ing in the bowl of an even the pointed boots, upturned Stetson, and Allen's appearance is about paused before pouncing with as far off from cowpoke as it the puns: "People went nuts, is possible to be. And his I tail you! We really had our soft-spoken manner - lame selves a ball."

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Allen grandly calls "the cut- of chuckwagon chow, albeit ting edge of the rensissance with a 1990s zip. for cowboy cuisine". A group of German men who had become fast friends with the "Howdys", between burps, and a young, attractive Filet to a trio of Japanese.

The decor in the dining room had all the ranch-style razzmatazz, complete with recycled barnwood on the porch, and walls hung with saddles, boots, hats, barbed taped cowboy poetry read-

ity you missed round a folded napkin. "I our Testicie Festi come from Sussex, was val." said Stuart trained as a geologist and I hate riding horses."

Indeed, without any of the

usual accoutrements, the puns aside - hardly fits the It was a Saturday night at image of a man running a Buzzards, an establishment venue dedicated to the joys image of a man running a

But that is exactly what Allen has become since he remodelled his wine bar in lager, were practising their the downtown section of Canada's bustling oil and beef capital, and turned the woman in a cowgirl out place into something of an fit scurried about serving casis for greenhorns, many Saddlesore Sashimi and Filly of them tourists from Europe and Asia hankering for a taste of the Old West.

Collaborating with Wade Patterson, Buzzards' youthful and talented executive chef, Allen has come up with a menu that adds sex appeal wire "art" and western oil to traditional cowboy and paintings. There were even native indian concoctions. From the son-of-a-bitch

ings in the loos, a bit of a stew (rabbit, wild boar and stretch perhaps but no one phessant), buckaroo beans, seemed to be guibbling. and buffalo steak, to prairie -Allen's British-accent cut: oysters (skinned testicles of distinctly through the beery castrated bull calves that chatter. "I admit I don't were once served hungry exactly fit the mould to be cowboys at branding time, doing this kind of thing," he and are here grilled in a smiled, his fingers toying beer and herb sauce and with a rope bit lassooed served with Canadian back

THE WAGON TRAIN WILD WEST RESTAURANT

bacon) grisb, at Buzzards' at to be Cow Town, home of the least, is getting its taste of

"What we're trying to do is rekindle the great mythic led. "Two of the strongest images of North America themes in cooking today are through our food, service, music and atmosphere," explained Allen, whose enthusiasm for the western theme includes having the words "Trail boss" and (a bit of Britishness here) "publican" printed on his business card.

Looking to expand the scope of his long established wine bar, and tired of experimenting with changeable food trends, he came up with the idea of creating a cowboy restaurant that went beyond the usual ribs, steakand-potatoes fare available alsowhere in town.

"Here in what's supposed

Calgary Stampede, there was ago. The initial finds didn't no 'cowboy' restaurant that seem all that appetising, at least to modern palates, as was doing it right," he recalthis excerpt from The Couboy As He Is, published in themes in cooking today are the use of local ingredients 1885, makes clear: and the adaptation of tradi-"The table was bare, the tional recipes, and that's what we've done. Traditional

recipes, local ingredients,

modern techniques and

plates and cups were of tin. and the coffee was in a pot so black that night seemed

Whether his restaurant Den persevered, and concept is the result of a was soon knee-deep in recipes, some of marketing strategy or 1 them laid down by hecause Allen was truly intrigued by Alberta heritage, he doesn't say. But he the chuckwagon cooks who worked on the Alberta ranches in the 1880s and did do his homework, spending weeks in Calgary's Glen-1890s. Names varied, but bow Museum, home to a whether they were referred to as "beanmasters", "dough-belly", "potraffler", or just large collection of cowboy archives and memorabilia, where he researched the "cookie", these men were foods that were served in responsible for keeping bel-

cattle country of a century lies full with limited railway inns stretching

One local restaurant critic · called Buzzards' food "hearty, heritage chow that tastes good, fills you up, and gets your fingers messy", and although the Caesar salad and café latte give one pause with regard to authenticity, the rest of it is a big hit with the folks who travel in air-conditioned tour buses on their way to the majestic

Rockies. Even the finicky hometown crowd is starting to come round as well, although with some reluctance. Blame it on the for-

across the country that

recall the era of nation-build-ing, looks positively out of place surrounded by towers of glass and steel. "That name! Buzzards," exclaimed a Calgary native, proud to be part of the entrepreneurial culture which gloats about the city's being one of the new economic

engines of the country. "I wouldn't be caught dead associated with these carcass-picking beasts." And her loss it is. The evening we dined be had as a starter, consistward-looking attitude of a ing of grilled beef bones cut and done the Napa Valley city where anything older in half and cozing with thing. Now, finally, they're

cakes and cranberry ket-chup, and the Indian Candy featured brown sugar-cured smoked salmon that was sitting on spinach leaves, with nuts, raisins and dried fruit in a light vinaigrette. Buffalo steak, considered much leaner than beef, was prepared in a sauce of molasses and peppercorns.

Thirst-quenchers go native as well. The wine list showcases many of the products of the Okanagan vineyards in neighbouring British Columbia, and non-alcoholic beverages include sarsaparilla, a drink combining lime juice and root beer, and so-called Bug Juice, once a popular libation on the trail that resulted when juices from the roots of a climbing

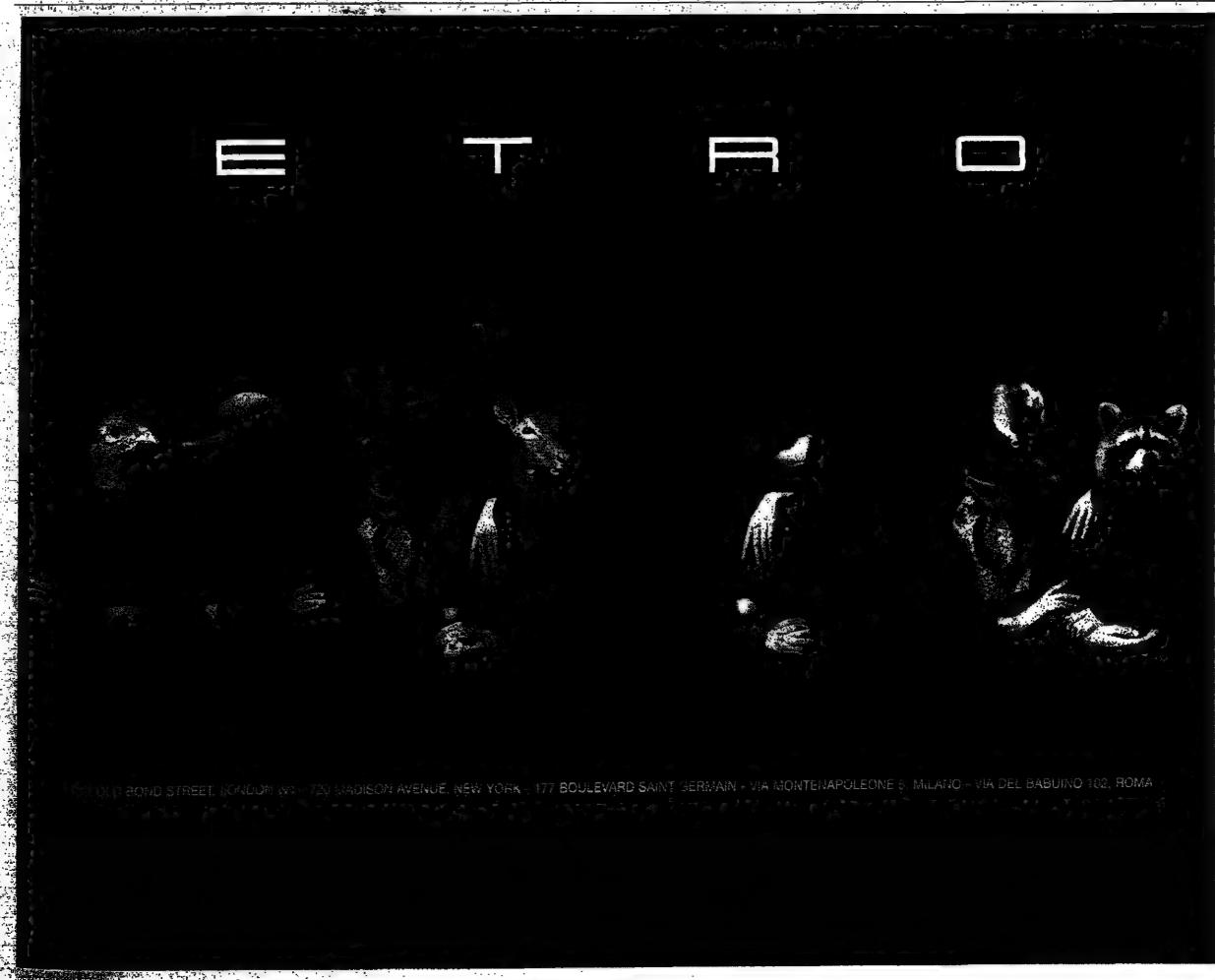
shrub were extracted. "There's a lot of Hollywood kitsch and myth in the whole cowboy culture," says Allen. "There were never more than perhaps 20,000 real cowboys, and the muchtouted Pony Express lasted for a grand total of 11 months.

"The great cattle drives from the Texas ranches to the northern railheads were almost over when ranching began in Canada in the 1880s. That said, it was a fascinating period nonetheless, full of hardships and possi-

Allen, 42, emigrated to Canada almost 20 years ago, after studying geology in London. "There was the IRA bombings going on," he remembers, "and a lot of labour unrest, and it looked like England was going down the tubes. Maggie Thatcher hadn't come to power yet, and I basically wanted out. I'd met some Canadians and really liked

He married a local, and settled down to the rhythm of the range. Or at least that part of it that takes in rip-roaring Calgary, a city that in recent years has been broadening its culinary horizons, including, Allen claims, the embrace of heritage foods.

"People here have done the trendy thing," he said, before moving off to another there, prairie butter was to table. "They've gone to New York for the food weekends, than 30-year-old structures is melting marrow. Buffalo coming back to their own." seen as heritage. In fact, Caltongue came air-dried in a Buzzards Comboy Cuisine, gary's Palliser hotel, built in log-cabin-like construction 140 10th Avenue, S. W Cal-1914, and one of the grand, served with wild rice pan- gary (403-264-6959).



rmagnac has always been the junior partner

#### FOOD AND DRINK

### For the love of a good armagnac

Great age does not necessarily produce a great spirit, as Giles MacDonogh discovered

in the brandy business. The reasons for this are both historical and geographical. Gascony did not benefit from the trading privileges accorded to wines and spirits made in the area around Bordeaux, and the nobility of the region had no say in the powerful Bordeaux Parlethey produced was much lower ment. It was also a long way from the centre of production per cent pure, it was around 45 down the Garonne River to the original wine, and made it

It may have been, no one can quite remember today, that that old armagnac was ropy; without the finesse which came from the greater means and technical proficiency existing around the more famous town of Cognac in the Charentes. In those days, both brandies were made by distilling the spirit not once, but twice, in swan-necked, batchmethod, pot stills.

century, armagnac abandoned cise worthwhile. A century after this expensive and time-consum- the introduction of the continu-

per cent or more impure. This gave the spirit more taste of the earthy and rustic.

With time, however, the locals observed that the spirits left in cask threw on a panoply of delightful tastes which the old, double-distilled brandy had lacked: these are now the archetypical tastes of old armagnac prunes, beeswax and incense. These rare old armagnacs were inevitably expensive to produce. In the last third of the 19th but they made the whole exer-

The first thing they would have Bigger companies were happy to noticed was that the distillate take it on board. They knew that the pot still could make a more palatable brandy more quickly. You threw in some caramel, and lent the spirit some of the spicy flavours associated with new oak casks and whoopee! A good, marketable product.

Except that it is not doing that well these days, and it is not really armagnac. In as much as the Frenchman still drinks, he has a Scotch or a postis. Armagnac is mostly confined to the post-prandial restaurant snifter and, if you are going to let yourself be tempted into taking one, you will have the real thing: some ripe old vintage celebrating a birthday or anniversary.

Just before Christmas I was in almost empty bar in the rav-

Condom. Two locals and the landlord were weeping into their viticulture in that part of the armagnac producing Ténarèze. Fifteen years before, the village had been surrounded by vines. Now they had all been grubbed up. Some strangers came in. They wanted to know which was the best armagnac: "Ténarèze,"

wouldn't they? Francois Héron would proba bly agree. He, too, favours the manly rusticity which comes from the clay soils of Ténarèze to from the sandy Bas Armagnac. "Armagnac for women," he calls them. He blends and buys for the old firm of Janneau.

they chimed. They would,

went over to the continuous still. the pot still was reintroduced. ishing bastide of Fources near shoot of Martell, but things have changed and Janneau is now owned by the Milanese businessteam is properly international. Giovinetti is the Macallan's guru in Italy, and he has installed Willie Phillips, the former managing director of the Scottish distillery, to run Janneau, assisted by Giovinetti's son, Fabio, and the English-born Lithnanian Peter Jakobsen.

> Héron doesn't disagree with me about great armagnac either: except to say that it is rare and unpredictable. He reminded me of a third sort; armagnac made on a column still, but produced at alcohol levels which come close to pot. This was the very worst. To prove his point he put the under my nose. I could not bring myself to sip it, yet this

There are other quality factors

one. Certain grape varieties produce much better wine for distilling. The Folle Blanche was always the best, yet it represents only 5 per cent of the grapes grown. The European Union is trying to stamp out the hybrid Baco, but those who love armagnac are almost manimous in their high regard for Baco.

Janueau does not use a continnous still, which doesn't mean they do not market continuous still brandies. They buy these from the farmhouse producers. 

Wintage Janneau armo are always continuous still

lair and began uncorking botvintages. The youngest we discounted: 10-year-old vintage is not ripe enough, it does not have the desired rancio character which manifests itself in a whiff of some citrus fruit like tangertnes. The 1975 had this, and the 1964 had more besides: a rich toffee and botter taste which was delicions. That was a favorable.

So was the 1942 although there was some woodiness, the cakeshop smell of the spirit made you forgive it. Great age did not necessarily mean great armagnac, however. The 1950 had been too long in cask, and the 1924 was sweet and spicy, but had a degree of hardness which made it lag behind the front runners,

Some goes into their better available from Furniss-Roe & blends, while the old vintages Nicholls of Wembley (0181-900-1949); Cotswold Vintners-(01454-325124); and Castigliane in After our argument (it was a Ascot, Surrey (01344-624849). friendly one), he took me into his Prices from £67.40 for the 1967s.

# How to get the best food in Morocco

Anissa Helou revisits old favourites and makes some new discoveries

of the moment. This is not surprising since Britons are always looking for more exotic tastes. Even 2,000 years ago, Pliny the Elder knew that "Africa always brings us something new". However, what is difficult today, as in ancient times, is to eat well, really well, in restaurants in Morocco.

Most of its restaurants, restaurants touristiques, cater mainly for tourists, since Moroccans selection included poached hardly ever go out to eat.

As a result, practically all carry the same menu. The dishes they offer are those that are best known: chicken with preserved lemons and olives, lamb with grated carrots dressed with prunes and, of course, cous-cous orange juice and cinnamon; and with vegetables and meat

Starters, too, are the same everywhere: hartra, a thick soun with meat, pulses and tomatoes; salades variées, which are often piled together on one plate; briouais, savoury pastries filled with meat, chicken or rice; or pastilia, a sweet-spicy pie. It is regularly deep-fried, a definite no-no, instead of being slowly cooked in a special pan to make the pastry crisp and golden.

Prepared well, these dishes are delicious - but in most restaurants they disappoint. However, a few chefs refuse to follow the tourist trall - and the food in those places is as good as the best Moroccan home-cooking.

in Rabat, I was steered by Moroccan friends to Dinarjat, a favourite place for politicians. Dinarjat is located in the heart of the medina at the end of a narrow, dusty street deserted except for a few children. The restaurant is charming and the food exceptional.

You knock on the door of this converted house to be greeted by a graceful young waitress wearing traditional Moroccan dress. She leads you through a dark corridor to a small inner courtyard with a *zellige* (mosaic tile) wall fountain. In each of the four cor-

oroccan cuisine ners is a low, round table set in is London's food front of elegantly uphoistered corner benches.

> You can also eat in darker rooms off the courtyard where the seating is European style. My waitress came to scatter a few red rose petals over the white tablecloth before offering me a finger bowl of fragrant water.

I started with their pigeon pas tilla. Then followed a selection of salads, each on its own small plate, and all delicious. Most Moroccan salads are cooked. My lamb's brains in a tomato and coriander sauce; za hig, a chunky mash of steamed aubergines and garlic seasoned with olive oil, lemon juice, cumin and paprika; cucumber flavoured with grange blossom water, icing sugar and

After that came the dish of the day, described on the menu as "the cravings of a pregnant woman". It was a lamb tooine (stew) cooked in a saffron sauce and topped with pears stewed in honey. In between the pears and the meat was a thin layer of sweet tomato confit. The whole was sprinkled with toasted sesame seeds and each bite was an extraordinary mixture of complementary tastes and textures.

Dinarjat also offers other less common dishes such as tagine de mrūziyya, spiced lamb stew with raisins and honey, garnished with toasted almonds. Mrūzigua is usually prepared for Eid el Kebir - a feast to commemorate the sacrifice of Abraham, as well as the period of pilgrimage to Mecca - and is not normally a restaurant staple.

The meal was exquisite and, at the equivalent of £25 a head, expensive by Moroccan standards, but excellent value. That is roughly the cost of a meal in most of the restaurants listed

place, which I have been visiting pile sheets of warqa, sprinkling for the last 15 years or so, is El every few with a layer of



start playing for the belly dancer. After discussing the various

dishes with Hassan, the immensely talented sous-chef. I decided to skip the starters and plumped for a lamb tagine with a sweet tomato sauce followed by a cous-cous t'faya, a speciality of northern Morocco containing chicken, raisins and onions.

The lamb tagine, made from the shanks and leg, was superbly tender with hardly any fat, and the lightly sweetened tomato confit was delicately spiced with cinnamon and pepper, quite different from that at Dinarjat.

As for the cous-cous, the grain was light and fluffy and the caramelised onion sauce had just the right amount of raisins. I should have stopped then, but I had already ordered a special postilia with milk.

Pastilla with milk is made in two different ways. At El Korsan, they use only one or two large sheets of warqa, the Moroccan version of filo pastry, which they sprinkle with almonds and serve with a jug of milk mixed with sugar and orange blossom water. You pour the milk on the pastilla and eat it quickly before it

In Tangiers, my favourite goes soggy. The other way is to reduces to a thick and unctuous

hotel. The restaurant is large and vanilla-flavoured cream all over Welles filmed Othello. It has one kitchen the smells and tastes of on two levels. The atmosphere is the top. This is nothing like as of the most charming hotels in peaceful - until the musicians delicate or as refined as El Kor- Morocco, Villa Maroc.

san's. in Casablanca, the best restau-Mansour hotel. It was first opened by Pierre Bergé, now director of La Mamounia in Marrakesh, and it won the best

Everything shimmers: the mosaics. gold-threaded fabrics and the silver

restaurant of Morocco award in 1996. The walls glitter with jewellike zellige and the ambience was more convivial than anywhere else I had been.

My starter was an assortment of briougts, crisp and scrumptious, followed by hergma, a tagine of call's foot with chick peas and wheat. Traditionally, it is cooked all night over a charcoal fire for the meat, pulses and grain to become meltingly tender, while the boiling liquid

Cookery / Philippa Davenport

Guides to avoiding winter routine

Korsan at the elegant Minza almonds, then to pour a kind of old port town where Orson reproduce in his restaurant's

a Moroccan home. The service is whom are women. rant is the Douira at the Royal friendly and efficient. When I was there the menu featured a first was to sample a Moroccan cooked salad of grilled peppers and tomatoes and a tagine of lamb with delicately honeyed

for choice. Highly recommended are, in the medina, Yakout and the restaurant at the Tishka hotel. Both are decorated by Bill Willis, the American decorator who uses a mixture of western pancake. and Moroccan styles to create sumptuous interiors. La Rotonda and Dar Fes are good, too.

The two that I like most are La Mamounia's restaurant and Stylia, where the carpets are strewn with rose petals. Stylia is situated in a part of the medina closed to cars. Mr Chami, the owner, has posted a porter at the street gate to receive his clients and lead them down the bustling alleyway to his establishment. The restaurant was once a grand house. The main eating area is in an immense covered courtyard lit mostly by candles. Everything shimmers: the mosaics on the walls, the gold-threaded fabrics

and the silver on the tables. auce. The food is as dazzling as the secrets of making warqa, cous-Next, on to Essacuira, a lovely atmosphere. Mr Chami wanted to cous and other dishes.

his mother's kitchen. For that had a baked sea bream marinated purpose his mother is responsible You feel as if you are eating in for training the cooks, all of

I had two meels at Stylia. The feast called diffa, where only the finest dishes are served. At this feast, the dishes kept on coming: these included pastilla, with In Marrakesh, you are spoilt pieces of pigeon, calf's feet stewed in honey (one of the most refined dishes I tasted in Morocco), lamb with quince and onions, more lamb with figs, and chicken with and, a kind of thin

> The following evening I had a less elaborate though no less memorable meal of fish stuffed with rice and olives, a tagine of chicken with aubergines and finally tangia, lamb cooked in an earthenware jar buried in hot ashes. Tangta is a speciality of Marrakesh and the only Moroccan dish traditionally prepared

> The atmosphere at the Mamounia is very different. Where Stylia is dark and mysterious, the Mamounia is bright and brash. The food is excellent. Boujemaa Mars, the head chef, is doing away with the tradition of having only women cooks and is training young men in the

lemon juice seasoned with chilli pepper and other spices. Following that came the surprise dish Boujemas had promised me: medfun. Medfun is steamed varmicelli in which are buried young stewed pigeons. The whole is sprinkled cinnemon

and served with icing sugar. There is another way to sample authentic Moroccan food; to est on the streets. For that there is no better place than the daily souks in the villages around Marrakesh, where you can be-

sure of the food's freshness. But on the streets you are on your own. Your flair and judgment are your best guide for finding the finest Moroccan cooking. If you have already eaten in one of the restaurants listed above :and at one of the restaurants touristiques - you will know

what is good and what is not. Anissa Helou is finishing a book on Moroccan street food. She travelled to Morocco as the guest of the Moroccan Tourist Office. She stayed at the Minza hotel, Tangiers; The Rabat Hilton, Rabat; the Royal Mansour, Castiblanca; Villa Maroc, Essaouira, and the Tishka, as well as La Mamounia in Marrakesh. •

here is something about the new year that makes my feet itch. Prompted by the thought of desk-bound February routine, and heightened by the tempting

this year I think I shall take a winter break. Far-flung, sun-drenched locations are not unappealing but trying to squeeze into a swimsuit so soon after Christmas feasting seems

thud of travel brochures fall-

ing through the letterbox,

handbooks is the Wolsey implausible. Distances, I have decided, Lodge Directory, subtitled are not a prime requirement. This could be the time to sey Lodges are named in consider exploring places memory of Henry VIII's chancellor, the bon viveur much closer to home, those parts of Britain and Ireland I Cardinal, who expected to have always promised

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myself to visit "one day".

Hotels are not the only

places to stay, of course, as

many have discovered, since

the first edition of Off the

Beaten Track was published

One of my favourite little

Welcome to Our Homes. Wol-

many moons ago.

at any country house at which he halted when touring the realm. A consortium of more than 220 individual private homes, some grand, some modest, Wolsey Lodges are places where the visitor may be entertained as a friend rather than suffer the impersonal mini-bar, trouser press and fax machine services of hotel life. To obtain call 01473-827500. The Hidden Ireland is its Irish equivalent receive generous hospitality (00 353 509 20572).

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be found in private town and wave the Welsh flag with Jaine before booking a room in their skins and peel them. country houses and small owner-managed hotels listed in Ireland's Blue Book (00 353 4623416). Better known, and embracing far more than where to stay, is The Bridge-John and Sally McKenna, published by Estragon Press (00 353 2761186). Clearly kissed by the Blarney stone, the McKennas' distinctive voices give a personal, colourful and enjoyable view of the riches the Emerald Isle

has to offer.

The Red Book 1998, subtitled Eat Well in Wales, published by Western Mail Books (01222-583583) is the first edition of a new guide to the principality. It covers the full gamut of resting and eating places, palatial and simple, not only hotels but farmhouses. B&B guest- regional excellence. Whether houses, restaurants, pubs. tearooms and youth hostels. too, in fact anywhere the compilers believe that the beach, to get good value for fraiche de Laguiole or Can-

Other Irish welcomes may what they set out to do and of the area, check with Tom

Another newcomer this Food in the Westcountry. published by Halsgrove (01884-243242) and edited by



Tom Jaine, former editor of the Good Food Guide. Like The Red Book of Wales, this is rooted in encouraging your preference is for posh feasts in starred dining rooms or crab teas on the owners and caterers do well money and enjoy a true taste tal, thinly sliced.

(इटाएट ४) If an element of foreign is

essential to your idea of a holiday, you could do worse than to stay warm and cosy at home and let Paul Strang take you on a gastronomic tour of the markets, festivals and fairs of southern France. Take 5,000 Eggs. published by Kyle Cathie, is a magic carpet ride, exuberant and appetite whetting, helping me plan trips I must make at a later date. But for now, I am happy to cook from the book. This dish would make a warming lunch or supper with a clean-tasting frizzy endive and chicory salad on

the side 700g floury potatoes; 60g butter; 4 tablespoons double cream; 4 tablespoons milk; 2-4 garlic cloves, finely chopped; 250g tomme

Boil or steam the potatoes Mash them as finely as possible to a smooth purée in the pan. Over a low heat, beat in first the butter then the cream and milk, and keep beating until the mix-

take time and effort. Stir in the garlic and sea-soning, and when the puree seems heated through, drop in the cheese, all at once. Continue beating and lifting the mixture as if you were adding egg whites to a souffile. The cheese has to melt. At a certain point the puree becomes a little tacky and shiny, and comes away from the sides of the pan in an almost pouring consistency. The aligot is then ready, to be eaten immediately.

CUMIN PUREE

(Serves 4) Patricia Wells at Home in Provence, again published by binger of delicious comforts. over simmering water.)

Her summer recipes, rife with ripe tomatoes, aubergines, pungent serpolet and lavender, appeal to me most. No, that is not true. Many of the winter ones are just the ticket now. The list grows each time I flick the pag This dish sounds perfect with plain roast duck or pork, a recipe capable of converting even those who think they dislike turnips.

750g turnips, peeled and cubed; 2 tablespoons butter; a pinch of sugar, about 250ml home-made chicken stock; % teaspoon cumin

In a large frying pan, heat the butter over moderate heat until it sizzles. Add the cubed turnips, salt lightly. add a pinch of sugar and sauté, tossing until the turnips are lightly browned all

Cover with chicken stock and cook over low heat until almost all of the liquid is evaporated, about 30 min-

utes.
Transfer to a food mill or the bowl of a food processor and puree. Season to taste with cumin check seasoning and serve warm. (This puree can be prepared several Kyle Cathie, is another har the top of a double-boiler set

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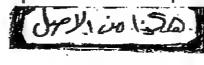
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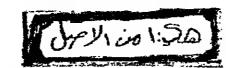
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#### MOTORING

A driver's notebook

Some motorists simply refuse to make proper allowance for bad weather, says Stuart Marshall

· very year. I am irritated to be told by headline or news-Take it slower – and live longer caster that fog has caused hundreds of accidents on motorways across

the UK. It has done no such Fog cannot cause a single accident. What does cause them is the failure by countless drivers to allow for reduced visibility; to slow down and leave extra space between their car and the

vehicle in front.
I saw a lot of similar stupldity last week when much of England was swept by howling winds and torrential rain. Luckily, I had no need to use any motorways but, at the height of the storms, I had to make a 50-mile trip on minor roads across Kent. Flood-water or a fallen tree could have been round any. bend; in fact, I came upon

In conditions like this, is it not even more important than usual to drive at a sensible speed and strictly within your range of vision? I would have thought so; a disturbing minority of my fellow travellers that night

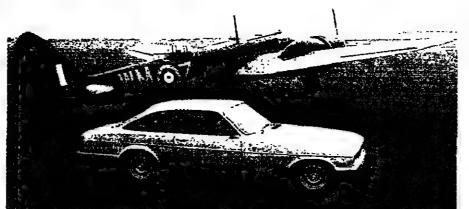
There is not much one can a falling tree, although keep- tant late on a Sunday night worse.

ing clear of roads running that it justified putting him through woodland improves self, his passengers and the odds. self, his passengers and other road users at risk? On But hitting a fallen tree, or that, I pass.

drowning your engine in Last winter brought a lot deep water because you are going too fast to stop in of snow and ice. This one so far, at any rate - has not time, are self-inflicted been Arctic, just exceptionally wet. Shots of cars rush-Why do some motorists ing through floods in clouds behave like lemmings or the Gadarene swine? Take my sion news pictures but such sion news pictures but such driving is a recipe for disas-I was driving on a short

but straight stretch of road tor air intakes close to the bonnet top can ford water balfway up their doors. Most lights, when an elderly Saab new ones cannot. Their that driving carelessly into a flood can force enough water up into an engine to wreck

have avoided it. He and his passengers would have embarrassing. Learning that become more "victims of the your insurer is refusing to pay up because it reckons What business of his could the damage was due to your do to avoid being crushed by possibly have been so impor- own negligence is much



Blenheim 2. Cynics reckon

gentleman's carriage" was a popular description of a posh

n the days when motor dropped out of favour but Bristol is no more than a traders were teddy bear one marque that could be builder of instant classic described, without exaggeracars at the kerbside in tion, as a gentleman's car-London's Warren Street, "a riage remains alive and well.

cars. Not so, says chairman Crook, who has presided This week, Bristol over Bristol's manufacturing announced a new model, the and marketing for nearly 40

The Blenheim 2 (named after a second world war British bomber) does look like a classic. The outward resemblance to a 1973 Type 411 is strong, but the new car has its fair share of modern technology. "The difference is that our cars are still hand-made and inspected to the highest standard of traditional British excellence," insists Crook.

Like every Bristol before it, the Blenheim 2 has a robust separate chassis and lightweight aluminium bodywork. Uniquely, the spare wheel, battery, brake servo
There are enough of them
and fuses are still housed in
around to keep the small the front wings, which makes for a very large, uncluttered boot and easy accessibility should things

ever go wrong. It does not have anti-lock brakes, though. "They can make drivers who don't really understand how they work feel over-confident,

The power unit is a mas sive 5.9-litre VS of unspecified (but it must be at least 300) horsepower with multiport fuel injection, made to Bristol's requirements by Chrysler in the US. It drives the rear wheels through a four-speed automatic transmission with a switch to lock out top gear when

Top gear itself is so high that, at 70mph (113kph), the engine is turning over at less than 1,800rpm. This is one reason why Crook claims to get about 30mpg (9.4 l/ 100km) on the M4 when driv-ing from London to the factory at Bristol.

A minority of wealthy motorists of mature outlook believe traditional chassisbased construction, an inte-rior of understated luxury and a large American VS is an unbeatable combination. There are enough of them production team busy.

As fewer than 100 Bristols are made each year, the £118,778 Blenheim 2 is one of the world's most exclusive cars. Compared with its cheaper. A Bentley Turbo R is £148,980, an Aston Martin V8 two-door £149,500, and a Bentley Continental £199,750.

# **Even Damon** Hill rides the new breed of scooter

well within range of my Citroën Xantia estate's head-

overtook at 65 to 70mph (105-

Had there been a fallen

tree or a flood 50 yards

ahead, he could not possibly

112kph) and disappeared

round a bend.

Jack Barker finds things have changed since the mods fought the rockers around seaside Britain

again. They came when they were need - and abused - by "mods" during their rallies (and battles with "rockers") at English sesside towns in the 1980s, but lost out later to bigger and more dowerful motorcycles: ....

Vespas were the preferred model then, and they have retained a cult status. Now, though, the humble sit-upand-beg legshield design, with the engine bolted on complete make-over. Only the shape remains the same.

A new market has opened up across Europe. Damon Hill, the former world motor racing champion, rides one and they are used extensively to get around the pits at grand prix meetings.

The section of the se

1 12

1.1

They have been "discovered" by youngsters, too. Unfortunately, since the new models cost between £1,800 and £3,000, you should be aware of fashion-conscious urchins showing their appreciation by stealing yours.

The traditional Vespa T5 is still sold new, clinging to its old, unbalanced design. You stop with a clumsy footbrake, start with a kick, and accelerate via a tendonstretching handlebar gear change. But that is old technology, 50 years out of date. The desirable models are totally different, applying practical limit.

What you need to know. In the LHC toll our licence-holders can drive a 50cc

thout L-plates. To drive a larger ecooter, you Basic Training certificate. Costs of scoolers vary. The Pininfaring-de

Peugent 50cc Speedfighter costs £1,799 while Plaggio prices Start at £1,499 for the Liberty. The Typhoon SDcc is £1,849 while the 12565 model costs £2,480. The Vespa £14 125 weighs in at £2,590 and the Aprilla

The 50cc and 125co Plaggio Typhoons were sup Metropolis Molorcycles of Vaudali, London SE1 7TP (tel: 0171-793 9313), which also has machines to rent. The Applia Leonardo and Piaggio's Vespa ET4 were expolled by Motorcycle City. Call 01252-400000.

matic, keeping the engine buzzing at its favourite revoat the lights to top speed. .

They are bicycles with Many have digital clocks power. And, however hard on the dashboard, allowing the Japanese try to catch up, the French running a close

new type of driver. They are and emergency waterproofs. not designed for long journeys; within a city such as London, the M25 orbital

twist and go-go technology There are plenty of jourto the classic shape. The neys that fit this pattern, brakes are on the handle- though. Commuters are bers, just like a bicycle and using them to slash their diately to the lightweight the start is electric. travel time through thick, design. There is an automatic rush-hour traffic. Parents choke, and both gear-change are buying them as family and clutch are fully auto- run-arounds: often, they prove of more use than a second car, since they are lutions from standing start simple to use and can be mastered by anyone.

riders to time their lives to the market leaders in the minute. Legshields keep Europe remain Italian, with bad weather off shoes and trousers, while lockable underseat storage is tailored Scooters are attracting a to take care of crash helmet

Piaggio, which makes the classic Vespa, has led development of the new breed and



The new and the old ...above, a 125cc Typhoon, which has a top speed of around 75mph. Right, a proud accorder owner of the 1950s

speed although, as a motorcyclist, not converted imme-

The problem was in the transmission. There was plenty of power once the machine was moving, but starting meant the twostroke engine revving away before reluctantly dragging it forward. When the power kicked in, it was decisive. but there was a definite lag.

There was also a problem with noise. Although the dealer I spoke to claimed the Typhoon was quieter than the tyre noise of a passing Mercedes, I did not agree.

At every junction, the poppop of the engine racing to engage the clutch brought motorway is a realistic and its hottest model is the 125cc back vivid memories of Typhoon. I took one out for a sleepless nights in Italian

test and was surprised by its cities. It was fast, though. is not required to take a day- and keep up with the traffic. Top speed was claimed at long compulsory course in Aprilia, one of Piaggio's 75mph and I took it up to 70, safety. but the small wheels and short wheelbase had it bucking alarmingly in slip-

> decided this was quicker than I wanted to go. Disc brakes front and rear and chunky balloon tyres meant it stopped well, but I never got used to an unfamiliar wallowing approach to corners. These were not solved even with the generous three-year guarantee

that Plaggio supplies. 50cc Typhoon looked the kerb while impatient motorsame and had other advantages. Being only 50cc means that a full car licence-holder tricted 50 cc, two-stroke can carry pillion passengers, engine has plenty of power does not need L-plates, and to offer that extra 10mph

pick-up, but this soon streaming traffic, and I brought it to the speed of 30mph - at which point, UK traffic regulations clipped its wings.

I have no idea who thought mopeds would be safer if restricted to 30mph in a traffic system that drives at 40, but they should be made to do penance. The legally-restricted engine leaves the rider puttering alongside bicycles, drains So, I traded down. The and broken asphalt near the

> ists queue to get past. The fact is that an unres-

rivals, produces the Leon-The smaller engine was ardo, a 125cc, four-stroke sped round corners with faster and quieter on the model which is about as smart and expensive as scooters get. Yet, I mounted in a negative state of mind; after all. Leonardo was a genius and this was just a scooter. But, the sneer was quickly wiped from my face.

> whole larger than the I could sit and tuck in my feet without feeling constricted. The mirrors showed views of the traffic behind

For a start, the seat was

higher and the machine as a

rather than my elbows. The water-cooled engine

made no more noise than a sewing machine. It delivered smoothly up to 60mph, while

the chassis was heavy enough to keep it on track. Handling was good, too. It aplomb, aithough bumps and potholes upset things considerably. I did not actually want to give it back but,

finally, my time ran out. As I climbed on to a Vespa ET4, Piaggio's agile and retro-styled update of the traditional scooter shape, the dealer said: "I don't think you'll be as long with this one. It's not as manly." As I rode the good-looking

machine - so balanced that it stayed upright almost at a standstill, and powered quietly by a four-stroke engine - I gnawed at his choice of word. It seemed an odd one to use about a scooter, of all power adequately and things. But, by the time I got back, I knew what he meant.

### The town that thrives on wheels and deals

Gary Mead visits Carlisle, Pennsylvania, where the tin gods rule

who deal in the truly gargantuan, though, there is Car or VW if they get uppity.

Isle and its car fairs. Normally, you can whis

sylvania, Carlisle is an But, 10 times a year, there is unprepossessing town, gridlock for days as hordes quintessential middle America. It is where military officers come to study past glories, at the US Army War

its citizens search, vainly, local fairgrounds. The events for something interesting to attracted more than 500,000 say about it. The best they visitors from the US and can usually manage is that elsewhere.

80 per cent of the US can be The 82-acre site is stuffed

the one that took a starring Corvettes. role in Steven Spielberg's move at all hours, heading

ome people argue that big is good. The pandful of the bandful of the bandful of the bandful of the bandful of the country where you them saying: "Ideal for a streets, careful to avoid cannot buy a second-hand project, best offer accepted."

Most of the males wanderthreatening the odd Honda Normally, you can whisk Set in the heart of Penn- through Carlisle in a trice.

of motor freaks hit town. Carlisle's car fairs are a world attraction to these chrome-plated, international College It is so far off the connoisseurs. Indeed, in beaten track that, inevitably, 1997, they gorged upon nine it, is destined for cult different auto and two antique motor events at the

reached by overnight truck to the gills for each fair. 8,000 different "vendor \$13,900. Nearby was a gloriform Carlisle."

Some are devoted solely to spaces" - stalls, to you and ous 1949 Buick convertible, a snip at \$29,500. technicons - lookalikes of ers to Chryslers, hot-rods or

"Fall Carlisle Collector Flea Edsel, not Elvis, is king. in and out of the dozen or Market and Corral" - is the more seedy morel stop overs. year's biggest event, a vast, the machines on sale ranged

"pre-owned"; and where old cars are touted as "younger models" - which, of course, they are if you invert the

You can find more or less anything related to combustion engines

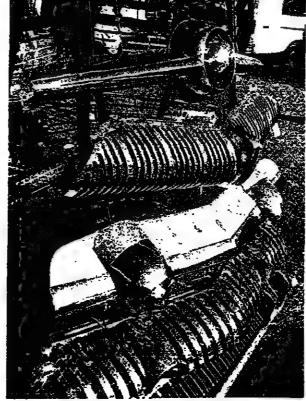
ber event, selling everything from camshafts to key rings The October flea market - as well as individual

ing round the arena seemed to be searching for "a project", although one told me: "You know what the end result is? You put all that damned money in it and you never get it back. You're better off buying something

new." He missed the point. The old bangers for sale had not been tarted up lovingly for investment purposes but for the thrill of hand-crafting a gleaming vehicle out of a piece of junk. Over there was a handsome 1957 Ford Pairlane 500 coupé with just There were more than 48,000 miles - genuine? - for

I fancied a 1962 creamyellow Thunderbird hardtop, with air-conditioning movie Duel - are on the known, pompously, as the vehicles. In Carlisle the and a good, new paint job, for \$12,500. All more or less post-1945,

"California car," said the small card in its window. In Carlisle's town centre, sprawling, mass genuflection from glistening, souped-up, This is code sales-speak for, combustion engine, and with excrement. monster pick-ups and obese before the tinniest of Amer- hand-polished hot rods to "It ain't got no rust, least- much that isn't. "Check out Small boy scouts weaved fellow bed and breakfaster.



The stalls sell everything from camphafts to key rings and grilles

ways none you can spot."

It is not only vehicles, wild!" Indeed it was - a clear though. Among the Buicks, plastic seat containing a Fords, Chevrolets and Cad- host of international coins, a ting that I drive a battered, illacs, you can find more or fine embodiment of that old 10-year old Citroen. less anything relating to the metaphor equating exchange

in and out of the crowds, digging into his eggs-overpulling small hand-carts behind them. For a donation of \$5, you could hire one in which to load your purchases and save your arm

"Remember, you can find It at Carlisle," cajoled the public broadcasting system. Some sad souls were even haggling at a stand dealing non-meeting of minds. in commercial car videos - a 30-minute promotional movie for a 1980s Chevrolet, selling for \$10.

Somewhere, there was someone collecting some tion, an inescapable encumpiece of automotive trash, no matter how obscure or apparently pointless. Vendors specialising in hub caps vied with some specialising in Ford hub caps, or others who dealt exclusively in Ford pick-up hub caps from the 1980s. The one big lesson from the Carlisle car flea market is that, for the all-American car worshipper, there is no such thing as

In my bed and breakfast outside Carlisle - even the nastiest motel in town is booked out a year ahead for the car shows, and I was fortunate to find anything at all that toilet seat! Ain't it within a 50-mile radius of the place - I made the mistake one morning of admit-

"What the hell's a Citroooin?" asked Michael, a

Michael had transported his wife, Linda, all the way from Boston - a six-hour drive, nothing at all - to find some spare parts for his T-Bird. She wanted some "Duster", whatever that was. We three enjoyed an affable

For Michael, the car is on a par with such creations as the cherubim and seraphim. To me, it is by definition a poor investment, a distrac-

Michael's face took on a puzzled, pitying grimace. when I told him that I moan at my wife for washing our it seems, to me, a pointless waste of time. How could anyone fail so completely to understand the important

Carlisle Productions (717) 243 7855. This year's Spring Carlisle is from April 23 to 26.

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# How to Spend It

# You gotta go - it's a quality of life issue

New York is back in the swank, once again a wonderland for spenders, says Lucia van der Post

York. The chat is different. "I just got oute relationship my analyst said was doin' me no good, says the woman on the escalator. Or Tit's no good, I gotta go - it's a quality of life issue." Are they all extres from a Woody Allen movie?

New York scoms to be back in swanky times. The chilling fear that austraity was on the way seems to have evaporated and eventhough Barbey's, to New Yorkers what Harvey Michols is to Londoners, is still in Chapter Eleven, it bristles with poshly dressed shoppers and the sounds of

But the old rule of thumb that what costs pounds in the UE costs dollars in the US seems true no longer. although, as always in a city where no one believes in paying retail, there are places to find things more cheaply if you know where

Still the best bargain places to shop are the Lower East Side on a Sunday, Otherwise, even the smartest shops always have sales rads - even just before Christmas, when I was there. We bought my daughter a fontastic dress for almost half price at Morgane la Faye, 748

Zara, opposite Bloomingdale's on Lexington, is a good source of well-priced Banana Republic (branches all over town) is the first the Chinese imperial tailors. well-dressed Brit.

Century 21, downtown at 22 Courtland Street (tel: 227) 9092) may be worth the effort, depending on your addiction to bargains - it jewel-like Takashimaya, 693 as hell un earth or fashion Nirvana. Like a giant jumble sale, you rummage through the clothes and might bear away a cut-price Prada. Gucci or Donna Karan, Wall Street brokers go there for

York are books. Every neighbourhood has its speciality pookshop but Barnes & Noble, 2889 Broadway at 82 Street, or Forbidden Planet at 521 Broadway on Union Square are always good.

Gadgets and gizmos are also worth checking - the latest cameras, binoculars and the like seem to be cheaper in New York than in most duty-free shops. Appliances Overseas, 276 Fifth Avenue, is the place to go and it will pack and ship.

The two main hot shopping areas are Madison Avenue - undergoing an amazing revival with Prada. Calvin Klein, Shanghai Tang - and SoHo. Madison has the outright glamour and showbiz fun of mid-town, compared with the quirky, boutiquey, individuality of SoHo.

Like a giant jumble sale, you rummage through the clothes and might bear away a cutprice Prada

Shanghai Tang, opposite Barney's, is only a couple of months old, but I found it a chic women's wear and jackets (about \$600 each), the jewel-like silk scarves and price) on the first floor.

Eastern aesthetics are inflitrating home and clothing, and no store does it with more sophistication than the has been described variously. Fifth Avenue, More like a museum than a store, it is a visual treat from the flower shop on the ground floor to the furniture and furnishings, to the funky clothing and jewellery.

Bergdorf Goodman, for

money, the best home department in Manhattan. Others may be better value (ABC Carpets, Pottery Barn, Crate & Barrel), yet others may be more avant-garde the downtown SoHo furniture shops) but for sheer sumptuousness and set-piece theatricality. Bergdorf's

Those who feel aggrieved at being denied access to Voyage in London's Fulham Road can check it out in Bergdorf's - there's a free and open Voyage department in the store and they'll happily let you part with \$625 for an authentically tatty little cardigan.

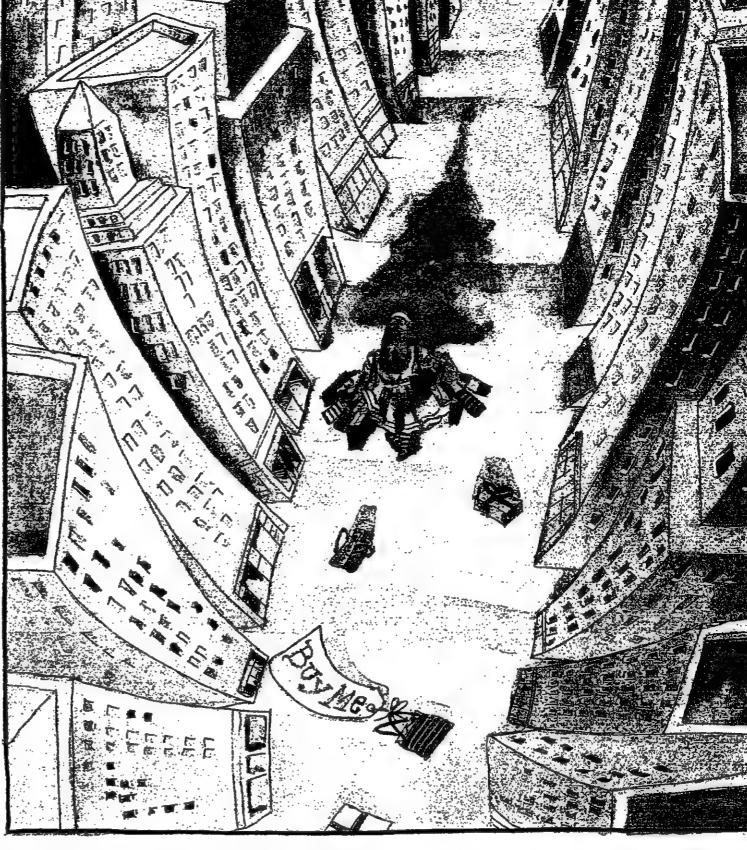
you think your wrinkles merit such expense, you buy the cult cream La Mer (promises, promises) at about \$155 for 50ml or a whacking \$1,000 for the

super size.
Felissimo at 10 West 56th
Street is the new-agey
department store where prices are a little lower. You can buy your fengshui travel kit here, fengshui candles, bells, scented coins and good

Now Marks & Spencer no longer sells Brooks Brothers wares in its British stores, so fans of the Ivy League shirts, cotton chinos, madras and boxer shorts should stock up at the Madison Avenue shop.

SoHo is still unmissable, disappointment, except for and its atmosphere and style the wonderful padded slik is expanding beyond its strict confines. When it gets too crowded, just about every weekend late morning ready to make anything (at a and afternoon, the more Elizabeth Street. There's a hat-maker, little clothing stores and second-hand shops, a sought-after shoe

> There's also a "sceney 265 between Houston and Prince (tel: 334 7900). It has an understated dining-room and, according to the Zagat guide, can be relied on to



For the very young, those in their 20s say, there's the M & R bar at no 264 (tel: 226

Nearby Ludlow Street is restaurant called Rialto at up and coming, too, with cool new boutiques where young designers air their

Don't miss the eastern ele-

gance of Global Table, a new

shop at 107 Sullivan Street. sells wonderful stoneware bowis, square sushi plates in indigo or lime green and cool, celadon green bowls with a crackly glaze. The Enchanted Forest at 85 Mercer Street is a great

place for children's toys - especially the sort that adults love (lots of old-fashioned, wind-up, tin toys and exquisitely crafted wooden trains and animals carved by New York cab-driver). Zona, at 97 Greene Street,

is still a cult home store scents and beads and Indianinfluenced artefacts.
There are lots of other

good home stores in this area - Shabby Chic at 93 Greene Street, Portico Bed and Bath at 139 Spring Street, Wyeth at 151 Franklin Street and the intriguing Urban Achaeology at 143 Franklin Street and 285 Lafayette. This sells authentic (and re-editions of) grand old baths, lights, furniture and the like.

SoHo is more the place for the arty set than for ladieswho-lunch. Helmut Lang has an impeccably cool, clean new clothes shop; and The Laundry seems to be top of the hip young set's list. Fragments, at 107 Greene

Street, sells a charming array of jewellery. Wander and you'll come across shops selling old jewellery, old clothing, antique furniture and all sorts of other origi-Beauty is serious business

n New York and it's nails that mark out the real New Yorker from the visiting scruffy Brit. Get up to speed salons on almost every street corner. They are quick

Get your tresses tended in

make Nicky Clarke look

Frederick Fekkai has a glossy new salon in the smart Chanel building, while John Barrett has a glamorous salon on the top floor of Bergdorf Goodman, in what used to be Andy Goodman's private apartment. In either place, you'll feel so pampered there's a danger of getting hooked. But if you want the top man, you'll be lucky if you come out with a bill at less than \$300.

For those who find all that much too swanky, Bumble & Bumble, 146 East 56th Street between Third and Lexing ton, is where the young and hip go for their clean, swinging haircuts and colour. These salons do the music

Marcia Kilgore's Bliss (568 Broadway, tel: 219 8970) is

> The trend in this caring, sharing time is for restaurants to go in for communal eating

favoured by Julia Roberts, Courtney Love and a host of other lovelies. It is rumoured to be so hot that you'd better book now for next Christmas, though I'm told if you go for the unpopular times you'll have more of a chance. It's the oxygen treatments for skin rejuvenation that have made the salon boom - \$30 a time.

Beauty is getting a dismuch talk of spiritual values, so shine up your vocabulary. After the fengshui candles, aromatherapy oils and mood-altering perfumes, watch out for vibrational remedy nail polishes.

If this sounds as mysterious to you as it did to me, let me explain. Tony and Tina, produced a conceptual piece one of the myriad salons, but meant to be a spoof on the tance because, at the

putting colour therapy at people's fingertins.

But then it got serious. "Retailers." says Tina. "came to us and said guys. this is a hot idea, how about turning it into something real? Now we're selling about 400 \$10 bottles a week at Bloomingdale's."

The thinking behind the nail polishes goes like this. Studies done in 1977 at UCLA pinpointed the electro-magnetic forces around the body (in new-age speak, your aura) and also pinpointed your energy centres (chakras). They found colours had specific effects on

"Red," says Tina, "is a great colour for your personal power. It is where our primal instincts are. Orange is great for sociability. When people are choosing colours, we ask which colour they're instinctively drawn to. People are too used to being told what they need - we're trying to let people start evaluating their own needs."

That's just for starters. "In the spring," says Tina,
"we're doing hair mascara a hair wand to stimulate your crown chakra and antidepressant aromatherapy lipstick and aroma colour bath (no bubbles, just pure colour energy). Soon after, we're going to launch an out-of-body machine – it will offer a visual and aural guided tour to help you get out of your body, to have an astral projection experi-

"Are people really up for this?" I enquire tentatively.
"Oh, yes," says Tina.
"They're ready to listen... we also usually mention that we believe there is a changing global conscious ness. As we're approaching the new millennium, I believe people are starting to trust themselves and their

As you can see, beauty in New York is a much, much more complicated business than it is in our humble Brit

Now we come to food never forget that where you toy with your radicchio matters. Restaurants, according friend, are of totemic imporaren't up to much and no one cooks, so what else, as he says, is there?

Getting a table isn't easy. You either need to stay at the sort of hotel where the concierge can rustle up a table at the crackle of a crisp note or you need to plan your visit like a military campaign. Book before you come. It helps if you've starred in a movie, made the front cover of Time or appeared in Vogue.

Take Balthazar (80 Spring Street, tel: 965 1414) down in SoHo, for instance. It's so hot most of my New York friends haven't yet been able to get a table there. Thanks to a glamorous young colleague, we got in for lunch -I didn't think it polite to ask how. This is a restaurant that receives something like 4,000 calls a day. The sense of triumph at having been allowed through the door is almost - but not quite enough to make one suspend one's sense of judgment. Very nice it was, all buzzy Frenchified, with updated French brasserie food, but a little hard to detect quite what all the fuss Calvin Klein or even Bill

Making it to Payard (1032 Lexington between 73rd and 74th, tel: 717 5252) was another triumph, this time thanks to an influential friend. An unshowy crowd but wonderful food, relaxed atmosphere and, for those whose waistlines can stand it, some of the world's best

Altogether fancier, filled with the beautiful people and offering pretty sensa-tional food, is Sirio Maccione's Le Cirque 2000 at the New York Palace Hotel, 455 Madison Avenue (tel: 303 7788). In spite of the higher prices, you won't find booking there any easier. It logs 3,000 calls a day.

The new trend in this caring, sharing, touchy-feely in for communal eating. to somebody cuta. Asia de Cuba (Morgans Hotel, 227 Madison Avenue, at 37th St and Murray Hill, tel: 726 7755) is one of this new breed. Add a menu that is a influences and you'll be was about And no I wasn't lucky (or persistent or



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# How to Spend It

# Yves St Laurent forty years on

The couturier found his old form in his winter 1997 collection. Avril Groom says much is expected for the spring

he shock troops of fashion these days are more unveiling they do than for their top-to-toe coverage. Yet the first outfit in Yves St Laurent's last haute brown, full-length coat elicited a gasp followed by applause.

The cost was made entirely from sable, a rich, incorrect fur. If couture, the coat seemed to say, is all about exquisite, shameless luxury - then here it is. Prowling in it was Katoucha, a feline African mannequin who was a supermodel long before the cult was invented Now in her 40s and with her own successful collection, she had come out of retirement to be the show's muse and a yardstick of elegance for the mature women who form the majority of 8t Laurent's clientele.

With this one outfit, perfect in its simple form and in the lustrous shade of the fur against the model's dark skin, St Laurent served notice that he was far from the spent force some com-mentators believe.

The show that followed reinforced this explosive start. These were dateless clothes, simple yet opulent. faultlessly proportioned and of high costume drama from

> This outfit served notice that St Laurent was far from a spent force

the young turks of couture at Givenchy, Dior and Gaultief. Here were grown-up clothes for grown-up women confident in who they are.

Winter 1997 was vintage Yves, a high point to be stored in the collective mem along with ists' homage collection, a moment to quote when the detractors gather after one of the seasons when he is not on song.

More marvels will surely be expected from his spring 1998 couture show next Wednesday, 40 years after his first haute couture collection when, as a lad of 21, he stepped into the giant shoes of Christian Dior.

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That the fashion world is somehow aggrieved if St Laurent no longer generates creative sparks speaks volumes about both the designer and public attitudes to him. In the beginning, he was so young, so innovative and successful - especially once he spread his wings in his own house from 1962 cowards - that expectations of him are still high.

His influence on late 20th century fashion has been huge - he was the catalyst for putting women into trouser suits, who first used the shock value of sheerly veiled breasts for publicity purposes, who brought street style into high fashion with his Beat collection, who popularised ethnic clothes and who, with his partner Pierre Bergé, invented the concept of ready-to-wear.

Other designers may have had similar ideas, but Berge's astute marketing skills ensured if was images from St Laurent's shows which reached the world's press first. So diverse and Dowell puts him at the top most important designers, cial empire".

ahead of Chanel and Balen Even then St Laurent was ciaga, for his "completeness intellect and creativity".

ing at an early stage (from ers ever more protective. American cosmetics firm and himself more isolated. Charles of the Ritz) enabled a vast marketing and licensing operation to be put into place and the St Laurent name soon became both an industry and a treadmill.

He had always had design interests beyond fashion. particularly in theatre and ballet, and according to Financial Times journalist Alice Rawsthorn, who has written a biography of him, even in the late 1960s he was talking about breaking away from fashion. But as the aiso says, "he did nothing about it" - the pull of the lifestyle all-pervasive were his inno- it provided, and the expectvations that the fashion his- ations of the public, were too torian and writer Colin Mac strong. By the mid-1970s, he was describing himself as "a of the century's helf-dozen prisoner of my own commer-

However, it must be said drug and alcohol abuse folthat St Laurent's innova- lowed by periods in hospital. tions came in the early years. Such fragility made his of his career. Serious back small group of trusted advis-

prey to depression and became prone to a cycle of

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Small wonder, then, that his collections increasingly appeared to be reprises of his early hits, albeit tailored to the mood of the moment.

In essence, nothing has changed since and it would be impertment to expect that it should. St Laurent is now in his 60s, in poor health and surrounded by the same small, loyal clique he has had for 30 years; their opinions and view of life have aged along with his.

Although fashion professionals may demand perpetnal novelty, the client's view is very different. St Laurent's priorities have always -been beautifully made clothes that would make the wearer feel wonderful, perhaps an outmoded concept robe", as Pierre Bergé puts in today's headline-hungry it, but he never forgot the world, but right for his wealthy customers.

When he was reported last year as saying that the dramatic couture designs by Galliano at Dior and Alexander McQueen at Givenchy looked like circus costumes, it may have sounded like sour grapes but it was probably founded in genuine incomprehension.

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St Laurent's infinitely prefers to please the client rather than the photographer - when he started at Dior, haute countre customers and their formal lifestyles were what mattered and publicity was peripheral. He saw how quickly lives were changing, his innovations "gave women their contemporary ward-

He is put at the top of the century's most . important designers

woman inside the clothes.

This is what draws women back season after season to clothes that superficially do not vary much. Lindy Woodhead worked for some years for Rive Gauche (St Laurent ready-to-wear) in London and says: "He always designs for women with real lives, not rock stars and Oscar nominees, These are 'proper' clothes - dated though that word is - which make you look dressed.

"They exude security and a burned-out has-been, he is, comfort, which mean a lot to insists Bergé, once again a a certain clientèle. St Laur- man the fashion world is ent has no antennae on looking to. youth, yet in some ways he's in tune. Very few others can on Prada and Gucci have make ethnic costume look focused interest on him." he

The classics have the most creative now, but after 40 timeless appeal, though years what can he do? Why create peculiar new things for the sake of it?" Other designers' peculiar-

Sarah Manley was St Laur- ities have benefited St Laurent's press officer for four ent - Bergé says that over the past year sales of haute years and says: "It's the cut and quality which are so couture have increased by 100 per cent, "partly because agree that he hasn't of two very good collections and partly because women designed anything new for decades but he doesn't need can't find clothes to wear to - his key pieces were so from other houses". Sales of ready-to-wear innovative they are still the prototypes of wardrobe

designed by the house studio - are, he admits, flat, while menswear and the Variation diffusion line are doing well. Both, significantly, have a slightly younger image and there are signs that, in the wake of the 1970s revival. the St Laurent label is gain-

off range Pour Homme has taken off among young labelchasers since the shop opened in Covent Garden last year, and the trendy magazine Dutch has just devoted 120 pages to the 40 years of YSL's achievement. with new Mario Testino pictures in a modern style showing that his ready-towear can be relevant to the late 1990s.

Several years ago, Bergé declared that couture was a says. dying art and, despite curson to alter that view. "If anything happened to Yves, or he retired. I would close away. I do not see how somehanded on and I do not think only shadows and echoes.

The sporty menswear spinit has worked elsewhere." The ready-to-wear would

businessman he realises that a house which is owned by an arm of a state-controlled conglomerate, the Vendome Group, and has a licensing trade selling hundreds of million dollars' worth of products a year needs a flagship design range. "We would have to find a young designer to help us move on but respect the spirit," he

there with his sureness of vision, there are occasional glimpses of the glory days enough to tantalise press the couture division right and clients into reporting and buying. Without him,



the 1980s shoulderlines

essentials. I bought classic

dresses and they are always

easy to undate with accesso-

What puts even the ready-

to-wear a cut above other

classic fashion is St Laur-

ent's natural, unerring eye

winter 1997.



abandon the house plants and head across the Atlantic. At last I have found a garden which has filled me with such enthusiasm that it has wiped out the low point of any garden-

easily accessible from Washington and New York; they are situated 30 miles west of Philadelphia on the edges of the Brandywine valley. While famous in the US. they are seriously under-represented on horticultural itineraries. I have been meaning to visit for years, but was delighted to discover that the difficult week from December 29 to January 4 is a high point for Longwood in a way that is unmatched elsewhere in the

On one visit you can move between two different types in high horticultural circles across the Atlantic, and underestimated in Britain -

genius of Pierre du Pont, one of the kingpins of the great business family whose company is still based in nearby Delaware. Pierre du Pont was a long-time chairman of the Du Pont company and crowned his industrial achievements by saving and transforming the Longwood Gardens which remain open. as he wished, to a vast pub-

trees. They are still remark-

Du Pont was one of those serious gardeners who began impressed at a young age by the sight of a large green-Philadelphia, visible to all

in his mind and years later. he adorned Longwood with

er's January. Longwood Gardens are

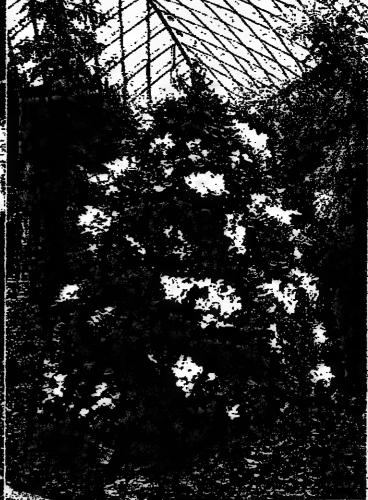
of garden and round off the visit with heartfelt American entertainment. The entire experience is a combination of fun and discerning taste which is still alive and well to our loss. Longwood Gardens owes its range and style to the

in 1906, he bought the park in order to save its fine able, from some fine limes to a magnificent avenue of flowering Paulownias.

his love affair with plants at an all-American riot of red the age of nine. He was poinsettias and imitation house on a main street in but the matching of plants He filed away this example

the magnificent conservato- house, the east conservatory, ries which a new public vis- which combined some stunits, this time the result of his ning trees of Mimosa with own expense and initiative. red dogwood, evergreen





Longwood's conservatories are a legacy of Pierre du Pont: poinsetties lining a canal lead the eye to a Christmas tree, while (right) a Douglas Fir is dressed simply with tiny fairylights and pots

Gardening

# The Christmas spirit lingers on

Robin Lane Fox finds inspiration at Longwood Gardens in Pennsylvania

exquisite plantings under glass. Christmas is a difficult time and you might expect reindeer. The main displays have a Christmas emphasis, and the staging of the exhibits is unimaginably beauti-

I thought I had seen the showpiece in the largest viburnums, Kashmir CypWigandia and well-placed specimen Agaves.

A masterly combination of winter greenery had been devised from the cut-leaved Geranium maderense from Madeira and Geranium palmatum from the Canaries, a brilliant touch of plantsmanship which brought freshness and shine to winter

Three Christmas trees of Douglas Fir upstaged anything imagined by residents of Cheisea in London. They had been decorated with

ress, something called nothing but white-flowered cyclamen in pots, artfully pinned at angles among the trees' branches. They looked enchanting, the last word in Christmas decorations for anyone who is fed up with attempts to simulate snow and icicles by spraying their tree with man-made prod-

The east conservatory is only the pre-quel. House upon house of admirably chosen flowers lead off it, ranging from a garden of nothing but natural, sliver leaves to a cool Mediterra-

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nean house of singular sion of bluebells among a beauty and a more tropical section, masterminded by the king of South American landscape designers, Burle Marx.

Time and again, I was wracking my brains and trying to put even a first name to the rivers of flowering plants in front of me. One entire corridor was vividly hung with purple-pink Christmas Cactus at eye level, a bit of a shock in the wrong company.

Either side of the passage, however, was given over to the fine leaves of the delicate Acacia leprosa which set off the colours superbly and is an inspired choice of foliage plant - it cannot even be plant - it cannot even be found in the British Plantin. I light bulbs

Orchids of carefully segre- lor, which I recommend so gated colours lit up the often for planting in pots recesses of a house interplanted with natural ferns. Roses were in flower on New Year's day, cheering the

My own particular prizes would go to the house heavily planted with the long sprays of a coral pink Plumbago indica that I have never seen before and to the touch of genius which combined a main planting of white poinsettias with great drifts of clear blue Coleus

Christmas decoration. Anyone would be taken out of themselves by the walk through these astonish-

I defer to any curator who can dream up something so apt and elegant as the Longwood Mediterranean garden whose key base-planting is the jade green Salvia disco-

> Leafless shrubs were brought to life with an outline of

during summer.

evening, wondering how to attain reality and how to raise the funds to send the entire Longwood staff over to most of Britain's botanic gardens in order to show them how to plant a greenhouse which is better than a middle second class. The return to reality was eased by two American specialities: singing and lighting. Over Christmas, the

emerged into a January night for the garden's final I came out into a January

men trees the gardeners had fixed the tiny fairylights which have begun to add their delicacy to London's chunky old Christmas illu-As dusk fell, huge beech trees sprang into pin-points of light. The enviable flower-

star turn.

ing Cornus trees were wreathed in red illuminations.

also to be heard. The large

ballroom dating from the

founder's day adjoins the

east conservatory and any-

one who feels like cheering

after seeing planting at its

best would join me in enjoy-

ing that underestimated

accompaniment to garden

visiting, a full-scale sing-

along, complete with organ accompaniment.

On a cold day, the song-

sheet works wonders: "Oh

the weather outside is fright-

ful. But the fire is so delight-

ful. And since we've no place

Dazed by the planting and

unlifted by the singing, I

All over the main speci-

tory after Christmas.

Du Pont's beloved orchesthyrsoldes, giving an impres- indoor garden at Longwood tra of water fountains turned

gold, blue and pink in a dis-Italian Villa d'Este. Lexiless shrubs were wittily brought to life with an outline of bulbs arranged like plumes of Dowering lilac.

Everywhere, lights made up for the absence of flowers and turned the darkening landscape into a Christmas heaven. Orderly crowds walked through in due appreciation, accompanied by children to whom the sight really was heaven.

I remembered those dreary old prophets of flower-power to go. Let it snow! Let it in my first years of study. snow! Let is snow!" who told us all to tune in, That number is big at turn on and drop out. How Longwood in the conserva- wrong they were about the order of priorities.

Turn on the garden, notyour friends, and you will understand the Christmas genius of Longwood. It returns magic to a season which is so often said to be laded and to gardens often stereotyped in their limited show of flowers.

■ Longwood Garden Information Service, which gives details of the programme of events, can be reached on (001) 610-388 1000 or www.longwoodgardens.org. The gardens are open daily and are located on US Route One, three miles north-east of Kennett Square, Pennsylva-

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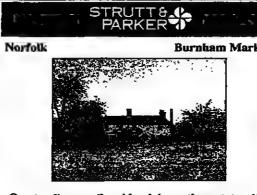
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Beating and unbowed In the Midi, hunting is a democratic right, says Stephen Fidler he tdea of a ban on

hunting has not advanced very far in this part of the Languedoc, Raise the subject by all means and mvite a pitving look, as if only the sad English could me up with the bizarre notion of creating such a fuss about a few thousand

Down here in the deep Midi, most people cannot look at a live animal without imagining it on the kitchen table. Those animals that can't be eaten are shot anyway (apart from those that are poisoned) to leave more space for the edible

If you want to be really English, you can wax enthusiastically to a Frenchman from these parts about how unusual it is to hear birdsong; then watch him salivate before running to get his gun.

Judging by this neighbourhood, there must be more firearms per household in rural France than appear in Terminator 2, and most of the objquitous dun-coloured vans careering all over the roads down here carry enough weapoury in the back to arm an active unit of the SAS. You never know, after all,

when you might run across tomorrow's dinner. Of course, the real difference between the uptight English and the freedom-loving French is that hunting is not seen as the preserve of a few inbred

aristos, but a democratic

pursuit - democratic, that is, in a pre-20th century sense when only men were deemed to have adequate knowledge of world affairs to vote.

The huntin', fishin' and shootin' set comprises the butcher, bar-owner, policeman, peasant farmer and (given this is modern France) the unemployed but never a woman. Between September and late January, hunting is the male bonding ritual of choice for most of the men of the Midi - at least those too small or old for rugby and provides a useful protein supplement, too. **Hunting in the Languedoc** has changed over the years,

as has the countryside. As the mountainous areas around here have become depopulated, what was once upland meadow has given way to forest. Few rabbit and hare remain to be shot at any more, but the russet-coloured wild boar have multiplied. Roe deer and mouflon - rare wild sheep, which once only survived in Corsica - have been introduced by hunting associations and are hunted according to quotas, which are sometimes adhered to.

Local freezers are stuffed with bits of all these animals though some citizens, even in this rugged region, are squeamish about certain parts. My nine-year-old son - whose pals here have contributed recently to a not entirely welcome improvement in his knowledge of the French

language - pointed out a bowl of dog food to me last week outside a neighbour's house upon which lay a couple of fleshy spheroids.

"Boar's balls," he explained. The hunters split into groups of 25 or so that ealously guard their own turf. In the late summer, fires often "break out" in the mountains, which encourages game to migrate to another group's area. During the season, hunters usually meet before first light at the baraque, or

> You never know when you might run across tomorrow's dinner

but, a fire blazing. The group then splits into beaters who, with the help of hounds, many with bells round their necks, push their prey towards their previously positioned colleagues, who carry both rifles and shotguns though usually not at the same time.

Once they catch sight or scent of an animal, the hounds begin to bay, and gunshots echo around the valleys. Usually, there is one session in the mornine. broken by an often bibulous lunch at the baraque, and another in the afternoon. A lot of ordnance can be

dispatched on the average weekend. A few years ago, one chasseur from a nearby village mistook his father for a boar and shot him. Even a weekend family walk in the mountains can turn perilous if you and your loved ones are unfortunate enough to come between the local hunters and their

hapless quarry. At night, the fire is built up and the animals killed during the day are butchered, having first been covered with depilatory powder, bathed in scalding water and stripped of their hair. This bloody ritual complete, the baraque is washed down and lots drawn for the cut meat. Some leave; others linger over pastis, wine and talk. The conversation drifts from French to what the locals call patois - the Langue d'Oc itself – and back again. It turns from hunting to other subjects: how the recent mushroom season has been phenomena during a wet and mild autumn. And how the behaviour of the hundre of city types who come here to pick them from as far afield as Marseille, and leave their litter behind in vast quantities, has been as execrable as ever.

And what to do about the cities of France, where nightly bands of youths are torching cars. But the baraque is a long way from any city, and as the conversation dies, along with the fire's embers, there is not a protestor in sight.

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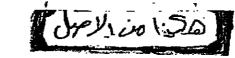
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# Honour, courage and the terrible cost

Lucia van der Post visits Isandhlwana and Rorke's Drift

country on the troops. way to nowhere, the British Army suffered one of its worst defeats in British colo-

GARY MANUARY

but asseguis, their stabbinga few captured rifles. At the plined, ordered rank by and of the day, an inauspi-cious day of the "dead in the sunshins. It is a sight moon" for the Zulus (at the height of the battle, it is said, the sun went dark), 52 the silent ranks of Zulu stoned officers and men and 471 native troops lay dead.

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The bare facts are enough to make the blood run cold. a solid crescent, 3% miles But go to the battlefield in wide, the Zulus appeared on the company of David Rat the rim of the plateau as if tray, a passionate historian, they were one man. They eloquent orator-cum-actor, cascaded down over the who is steeped in the geography, history and culture of this part of Zululand, listen. beneath the sphinx-like hill that stands guard at Isandhiwana and the landscape is once again filled with the troops of the 2/24th Foot and thousands of silent, waiting

Zulu Impis. He brings out the drama, the pathos, the folly and the courage. As we sit looking companies of the 24th Regiout across the plain he begins to weave the threads of the story. The British, in expansive mode, want to nation. They provoke a war. out.

They think it will be a cinch We see the cave where the They think it will be a cinch camp on the plain of Isanford, commander of the alive. British forces, makes some

n January 22 crucial mistakes - he divides 1879. 119 years his forces in enemy territory ago, in an insig- and he fails to take the nificant little Boers' advice to laager the

"Imagine," says Rattray, waving his stick, "It is 11am on January 22. There is not a At the height of its impe- Charles Raw rides out with rial power, on the windswept one of the scouting parties to plain of Isandhlwana in the see what is happening. Sudheart of what is now Rwa-Zulu in South Africa's Natal, 1,000 men, highly trained checks. He looks and well-equipped, were down...there closely packed beaten by 20,000 Zulu war and sitting in utter riors armed with nothing silence...as far as the eye can see, sit more than 20,000 sticks, cow-hide shields and Zulus warriors. Highly disci-

> A few shots are fired into Impis and the disaster unfolds. The famous "horns of the buffalo" military tactic is precisely executed. "In the rim of the plateau as if plain in wave after wave. Their numbers seemed end-

to chill the blood."

The ill-organised, illprepared troops scrambled for their ammunition pouches. Scores of Zulus dropped at each volley of fire but there were always more. - The ammunition ran out, the boxes could not be opened fast enough.

Almost to a man six full ment of Foot died where they stood, shot or backed to pieces, little drummer boys of 12 hanged and disembowcrush the powerful Zulu elled on the backs of wag-

- the might of the British last Weishman held out, Imperial Army faced with shooting until his ammuni- run barefoot with his men nothing but savages. On the tion ran out and the impis way to Uhundi, King Cetsh- came to finish him off, Some wayo's capital, the 2/24th of the Natal Kaffir troops Foot, composed mainly of deserted while there was of them as cavalry. When tough Welshmen, stop to still time, but not a single. imperial officer left the field dhiwana on the night of Jan-while a man for whom he uary 21 1879. Lord Chehns- was responsible was still



From the film 'Zulu', set in January 1879 at Rorke's Drift, Natel. For the Zulus, it was the day of the 'dead moon

the battle that bring the story alive - it is the smaller stories, those of the Welshmen who gave their lives, of privates Owen Ellis and George Morris, of Colonel Anthony Durnford with his withered arm, of Charles Henry Harford, "the beetle collector", bottling a rare species as the battle starts.

It was the beginning of the end of the Zulu nation

Then there are the stories of the Zulus, of Mkosana Ka Myundlana, of the Biyela the day. "This," says Rat-tray, "was his day. Over 60 tall and in his 70s, he had all the way from Ulundi. Though barefoot, the Zulus ran so fast you had to think the Zulus first felt the impact of the bullets and fell back in confusion Mkosana gave the great Zulu war cry 'Usuthu' and lead them from It is not just the details of the front until he himself

was gunned down." Another Zulu, whose father had killed three redcoats in the battle, told Rattray that the Zulus recognised the courage of their enemy: "Like lions, they fought, like stones they fell." King Cetshwayo heard the

story of what happened at at the courage. Isandhiwana as the wail of grief and sorrow for the dead and wounded echoed from stand. There is no doubt that village to village throughout every man there thought he Zululand until it reach him in Ulundi. Cetshwayo knew that though they had won the day it was the beginning of the end for the Zulu nation. "It is." he said. "as if British military history." we have had an assegon thrust into our belly."

From the dusty landscape of Isandhiwana, Rattray picks up the story at nearby Rorke's Drift, just across the Buffalo River. That same clan, the great Zulu hero of afternoon of January 22, at 4.30, 153 soldiers, more than 30 of them wounded or ill. "this time better organised and well-prepared", held a little Swedish mission station at Rorke's Drift against 3,000 to 4,000 Zulus. All through the night the battle raged, the dark sky lit by the burning roof. When morning came, 500 to 600 Zulus lay dead, the rest had fled.

at the walls of the rebuilt

This is not just a tour for to 3,000 Zulus died in a war battlefield buffs, this is a tour for all who recognise the power of stories, who see

over the top of the Oskar-berg mountains "black as future. "It is impossible," says Rattray, "to sit here on this plain of Isandhlwana and feel any malice towards any of the participants. Sixteen Welsh Williams' were killed - those good men of the

necting our past with our

valleys, forced by poverty to take the Queen's shilling, who knew nothing of the nobility and courage of this nation they were charged with destroying. Some 2,000 lodge, Fugitive's Drift, over-

they never wanted, on a day deemad inauspicious." "Courage is the thing,"

history as a vital way of con- said Churchill - and I am Why us?" asks the frightened squaddie in the film Zuhi, which powerfully tells the story of Rorke's Drift. "Because we're here, laddie," says the sergeant, "Just us and nobody else." Standing

there, looking at the little mission station, you wonder at the pity and the folly and the nobility of it all.

■ To get to David Rattray's

Round the

the hills of Natal so eloquently described in Alan Paton's "Cry The Beloved Country". Stay in one of David Rattray's lodges and go on one of his tours.

■ Worldwide Journeys & Expeditions, 8 Comeragh Road. London W14 9 HP. Tel: 0171-381 8638, fax 0171-391 0836 can organise three- to five-day stays at Fugitive's Drift at about £90 a night, per person full board. Escorted tours are about 140 per per son. Classic reading is "The Washing of the Spears" by



largely destroyed by fire dur-ing the battle) and look up to

where one of the lookouts

saw the Zulu Impis coming

hell and thick as grass" you

can feel the chill and wonder

"It was a desperate and

was going to die...yet not

one of them cut and ran, and

VCs were won that day,

more than on any other in

all but 17 survived. Eleven

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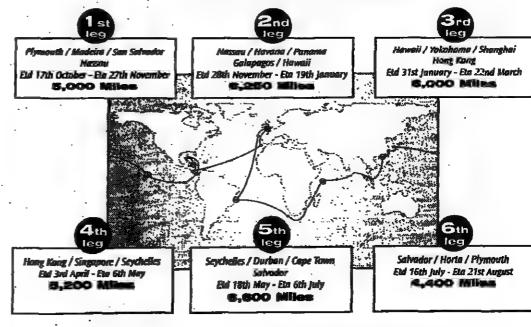
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# The Valais opens up

Arnie Wilson samples Swiss chic in Crans-Montana

queueing patiently on siveralt in a London cloud, rocky peaks. burst had known why they were being drenched, they might have been angry. The cause of the delay was

birthday cake. True, it was his 21st. ruce, his father, and his father's friend Lorna, had. smuggled it on board. Lornawas agitated on two counts: reached Verbier and keeping

it in one piece. the patient Swiss steward-

Suitably stowed, the cake and its superintendents no longer blocking the aisle, the six bedraggled passen-gers finally boarded Crossair's new Salurday service. direct to Sion - and the Valais ski country.

heart of the Swiss Alps. souring past the snow-clad peaks of Valais before dipwine is produced.

Markus Kramer, the captain, and his crew, had touch optimistic airport in the world to fly the normal 8 degrees.

windows revealed Sion's peaks lining the upper the steps of Crossair's famous "twin" episcopal for-"Jumbolino" Avro RJ tresses perched on floodlit famous "twin" episcopal for-

More than 100 miles east of Geneva, Sion brings several important ski areas much closer to hand: Zer-Jamie Nelson's surprise matt, Leysin and Villars are 90 minutes away, the Portes dn Soleil 80 minutes, Saas Blum Fee 70 minutes, Verbier an hour and Crans Montana 30

Crans-Montana is one - or keeping it secret until they rather two - of those places, tophe Eggli, my young such as Flims Laax, that you do not hear much about. "It's so fragile and very although its skiing creden-delicate," she pleaded with tials are impressive and its social and shopping cachet every bit as up-market as its neighbour, Gstaad.

A candidate for the 2006. apart from the new Crossair day - with how the higher flight from London, there is reaches, all the way up to a TGV service, and its bluealais ski country.

and-white Italian equiva- seem to rise and rise, giving Within 70 minutes, nearly lent, the Pendolino, brings the area a healthy 5,000ft 100 skiers were enjoying a skiers from Milan. A new vertical drop and 120 miles speciacular descent into the funicular brings skiers to of pistes hears of the Swiss App. Montana from Sierre. There is a wealth of "We're becoming an internatabove the treeline skiing finding this strange new tional city," said Walter around and beyond the construction barring its norping below the snow-line Loser, the resurt's tourist three focal points of Bella into the terraced vineyards, director. "And, ooh la la, Lui, Les Violettes and Petit where most of Switzerland's we're going to get some Bonvin, which gird the ing I heard that the man

rehearsed the flight care. It rained - but not for tem peters out, with the to upset the newly installed fully. Slop is not the easiest nothing is Crans-Montana, exception of the cable car up into. This is why Crossair is est resorts in the Alps - and From the glacier, a single,

Rhone Valley was visible all the way to Brig and beyond to the Furka Pass, including the Dent-Blanche, Weisshorn and a tantalising glimpse of just the top of the Matterborn pyramid. From the slopes, there is a commanding view of Mont

It was the slopes, of course, that I really wanted to see, and the sharp change in the weather gave Chrisguide, the chance to give me a lightning tour of the

aving spent the previous day barely able to see two turns ahead Winter Olympics, the resort of me, I was impressed is certainly well served: when finally granted a clear the Plaine Morte Glacier,

is where most of the lift sysknown as one of the sunni- to Plaine Morte at 9,840ft.

If the six passengers ... A glimpse through the ... A wide sweep of mountain up with Les Violettes, right in the centre of a cat's cra-We certainly earned our

cassoulet and brochette de soumon mariné, plus a bottle of the local wine, at Le Bistro in the Pas de L'Ours or Bear's Footprint - an extraordinary and striking structure in pine, rather like a tower of old chalets piled one on top of the other. The five-star Crans

thermal "cure centre" offering a range of natural treatments aimed at eliminating toxins from the body, including poultices "to decongest and regenerate the liver and kidneys, cleanse the intestines and ease painful joints", as well as lymphatic drainage, electro-osmosis and a plantbased "youth serum" igned to recencrate skin and arteries. When it was built, how-

ever, the hotel was not too popular with the cows returning one antumn along traditional pathways from their summer pastures. One, mal route, walked right into the hotel and started explorsnow my dear." Unfortu- mountain at around the ager hurried along behind nately, this proved to be a 7.300ft to 8,300ft mark. This with a dustpen and brush just in case it did anything

■ The Crans Ambassador Hotel: Tel: 0041 27 481 4811 using the Jumbolino, it has it brightened up, revealing a steep, exhibitaring piste of crossar's new a steep, "gridestope" angle of remarkable view from my (with excellent off-piste service to Sion, call the Switdestone, is degreed instead of window at the Ambassador variants) comes storming zeriand Travel Centre in London no 171-734 4578. down a steep valley to link don on 0171-734 4578.

#### TRAVEL

ike many people. I had expected The Gambia to be a kind of Costa of market tourist destination.

Only 25 miles at its widest point and cutting 300 miles into the continent of Africa, The Gambia is one of the world's smallest nation states and, apart from the coast, is almost surrounded by Senegal, which is 20 times larger.

It was first colonised for holidays by Scandinavians in the 1960s. Then it was publicised in Alex Haley's novel, Roots, which traced the author's slave ancestors back to Juffure, an up-river village.

The Gambia was once a British colony - the capital, Banjul, used to be called Bathurst - and so British tour operators borned in. Its big selling point was guaranteed sunshine during the British winter - it is on the same time zone as Britain and its cheapness. The beaches are clean and there is little crime.

Well, actually, there is a growing problem with 'bumsters", young men touting themselves as guides and However, compared, say, with Florida or Thailand, it

With limited attractions in Banjul and the main population centre, Serekunda. many visitors felt little need to stray too far from the two dozen or so beach hotels. lazing by the pool or beach by day and enjoying discotheques and karaoke by

By 1994, more than 70,000 tourists, most of them British, were holidaying in The Gambia - and the country enjoyed a mild reputation for sex tourism, not young men looking for women but English matrons of an uncertain age searching for young male Gambians. (The consular section at the British High Commission is still dealing with some of the

complications.) But in that year there was a military coup against Dawda Kairaba Jawara, the long-standing president. The British High Commission issued a warning and tourism fell to 40,000. In building up the industry again - this year, 80,000 visitors are expected - the government



# A birdwatcher's paradise

Stewart Dalby on how The Gambia is planning to widen its tourist horizons

ised how confining package tourism can be in a country where it accounts for around 12 per cent of gross domestic

The government wants to diversify its tourism, get people off the beaches and into the country - and hopefully add value. Apart from encouraging cultural tourism, with events such as the annual Roots festival, based on Haley's book, the spotlight has fallen on eco-tourism in general and bird watching in particular. The Gambia no longer has big game but it does have an astonishing variety of bird

Clive Barlow, an ornithologist who has lived in the country for 12 years, has just ning bird garden. You can

Field Guide to Birds of Gambia and Senegal (Pica Press). Together with co-author Tim Wacher and illustrator Tony Disley, Barlow records 540 species, which means the region is unrivalled for bird-

life in West Africa. As Barlow explains, this is because of a unique diversity of habitats. It is a regular stopping-off point for migrating birds. The coast is rich in fish. There are sandy beaches, mangrove swamps. river mudflats and swamps. low-lying savannah and patches of thick forest. Barlow takes groups out watching from his base at the Atlantic Hotel, where he has established an award-win-

seven-day safari up country. The Abuko nature reserve is the oldest established conservation area, having been declared a park in 1968. It takes just half an hour to drive there from the main

hotel area.

We got up at 6am, the best time for bird watching. The education centre in the middie of the reserve overlooks a series of pools with a substantial population of Nile crocodiles. From the hide near the centre you can watch the Milky (or Verreaux's eagle owl. Other abundant species are the Green-crested Turaco, the little green Bulbul and the Yellow-breasted Apalis.

brought out his definitive take day trips or go on a trail which takes about two hours to walk. It is magical before the sun rises and you will see lots of red colobus and green vervet monkeys.

Tanji bird reserve is also

close to the botel area. It is bigger than the Abuko and has a number of different habitats, including mangrove, dry woodland and coastal woodland. There you will be looking for the finespotted woodpecker, the gonolok, crombec, melodious warbler, Royal Tern and Swallow-tailed Bee-eater.

Both parks are convenient for visitors to the beaches. For real enthusiasts there are four other reserves, at Tendaba, Janjanbureh, Baobolon and Kemoto. Some have argued that a deterrent

lack of infrastructure; basic hotels, and lack of organised

Others, like Louise Kemp ton, a young Irish woman working for the country's department of parks and wildlife management, feels that conditions do not matter. She says: "Last year we had a group of 12 members of the British Dragonfly Society. The average age must have been 78. They went everywhere, right up to the Senegalese border. They had a whale of a time."

■ Stewart Dalby flew to The Spend February 14 Gambia with The Gambia Experience (tel: 01703-730888) in conjunction with The ailway line behind the Gembia Hotels Association.

### update...update.

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PICK OF FRANCE Picardy, in north-west France, doesn't get the recognition due to a region containing Chantilly château, the Somme and Crécy battlefields, Gothic cathedrals, Parc Astérix, bird sanctuaries, beaches and much else. Until the end of March, the regional tourism office (+44 0171-836 2232) offers two nights for the price of one at more than 30 hotels and châteaux - a weekend for two could cost just 265. . .

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DOWN THE ISLES: Two islands for the price of one on a Maldives holiday with Elite Vacations (+44 0181-864 4431): you can stay on peaceful little Veligandu Huraa, and cross a walkway to fivelier Digutonothu tor the disco – a 15-minute stroll over the sea, with a bar halfway.

☐ MATURE SKIERS in search of a less aggressive and competitive time on the snow might find gentler landings with Classic Ski, which specialises in aiding holidays for those aged between 36 and 70. The company says many clients are first-time or returning skiers. Tel: 01703-212144

VALENTINE'S TRAIN: chugging along England's

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☐ QUICK SNOW: No need to waste all week on a skiing holiday: Airtours offers day trips to ... Chamonix on February 2 (£139 from London) and March 13 (£149 from Manchester). A 6am departure gives you six hours of skiing; cost includes transfers and skil carriage but not lift passi Call 01706-240077.

A SNIP: Book a 2110 issor Happy package at the Runnymede Hotel and Spa at Egham, Surrey (01784-436171), until March 31, and you get. half-board accommodation tickets to the audienceparticipation murder ... mystery/comedy Scissor Happy...and a wash and blow-dry.

D PENNYWEIGHT: So strong is sterling against the schilling, says the Austrian Tourist Office (0171-629 6148), that British tourists can now buy a Sechertorte with cream for £1.50 - under a tenth of a penny per

☐ MELBOURNE Flower & Garden Show, southern hemisphere's biggest, runs from April 1 to 5.

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John Westbrooke

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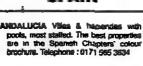


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# Travel Supplement

January 24 1998

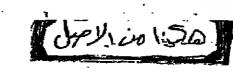
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# The real Hawaii is just up the road

Antony Thorncroft avoids the obvious to find an island rediscovering its old traditions and customs

unless it is wrapped in tea leaves."

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his sensible advice, the most powerful of Hawaiian superstitions, is ignored at their peril by the inhabitants of Oahu, the island which contains Honolulu. Waikiki beach, and most of the inhabitants of the 50th United

The Pali is one of the few high-ways that straddle Oahu, linking Honolulu and the dry south, where virtually everyone lives, to the wet and wild north. In the past it was a tortuous journey over the moun-tains and not taken lightly, cer-tainly not with a pig, unless it was bedded in tea leaves and ready to

The attraction of Oahu is that at one level it fulfils all your bland expectations of Hawaii, being little more than a backdrop for Waikiki beach, while at another, it opens up the mysteries of a pest which gets strenger by the year.

Unless you are a confirmed sun-dried tomato, Waikiki, the holiday extension of the Hawaiian capital of Honolulu, is a one-day experiance. Here crammed bodies lie comatose in a friendly sun, cooled by a sea breeze, while creamed hunks whoop through the surf that roars in on challenging, but controllable, breakers. Behind are the luxury hotels; the designer shops; all the comforting ease of the US.

But even Waikiki has an edge. Crowded yes, but not obsessively so, since visitor numbers to Hawaii are down. American visitors, perhaps, but the majority of tourists are Japanese, many on honeymoon. Tacky, no; the beach and hinterland are almost obsessively clean and safe, and given over entirely to shopping rather than to more louche sesside pleasures like drinking, eating and frivolous entertainment. It is Bond Street-on-Sea, with the designer shops recording their highest grosses per

square yard in the world. There is something quaint about seeing a posse of Japanese brides in white tulle posing for their wedding photos in the foyer of a faceless hotel, but it quickly becomes time to dig deeper. The Waikiki face of Oshu is not worth a journey half way around the world. Fortunately, anyone prepared to escape the suburban sprawl is in for the

shock of the old.

Drive around the east coast and the atmosphere quickly changes from friendly waves to the 20 ft breakers of Sunset Beach, which make Hawaii the most desirable spot in the world for professional surfers. Suddenly, annual rainfall jumps from 20 to 200 inches in a year. The vegetation becomes lush with banana plantations, and retirement bungalows make way for shacks that seem to grow out of the earth. The beaches are empty and an older Hawaii holds sway.

This is when Hawaiian history starts to take over. It is convenienfly short. Until around 1,500 years ago the islands were uninhabited. Then the Polynesians arrived and established one of the most ritualistic of taboo systems; women, for example, were only permitted to eat two of the 80 varieties of benana grown on the

As compensation, men were

"Never take a pig over the Pali - women. Break a taboo and you were slaughtered.

Then in 1781 Captain James Cook stumbled upon Hawaii and within two decades, armed with two borrowed cannon, a tribal chieftain from the big island of Hawaii had conquered the chain. The Hawaiian monarchy lasted a century before being ousted by the Americans, but Honolulu remains the only US city to retain a royal palace, now a threadbare museum.

After years in which Hawaiians stressed their American-ness there is now an obsession with their past. Most of it is tourist pastiche -the less, the orchid garlands that greet visitors off the aircraft; the inescapable hula dancing; the "feasts" of barbecued pig on the beach; all the phoney ethnicity of traditional Hawaiian evenings".

But although much is false - the ubiquitous ukulele was imported by Portuguese plantation workers; grass skirts are a modern invention - there is an unexpected foreignness about Hawaii; few white faces, very few pure Hawailans, but a great mix from the Pacific rim. Honolulu's Chinatown has e seaport loucheness; after dark there is even an air of menace.

Coming across the "court", a procession of Hawaiians dressed as their 18th century ancestors, walking across the beach, is strangely moving. Traditional Hawaiian music flourishes; the language is

The most moving experience on Oahu is a visit to Pearl Harbor and the memorial built over the wreck of the **USS Arizona** 

being rediscovered; the sites of ancient sacrifice are being excavated. Poi, the basic food of Hawaii, made from the taro plant and tasting like tapioca chewing gum, is increasingly available. The Polynesian Cultural Centre in the north of the island is as serious as it is superficial; the local artefacts in the Bishops Museum greatly excite anthropologists.

The canker in paradise, which led to the extermination by disease of most Hawaiians in the 19th century, carried on to recent times. The most moving experience on Oahu is a visit to Pearl Harbor, to take the free tour out to the memorial built over the wreck of the USS Arizona, sent to the bottom within minutes by Japanese bombers in December 1941, with the loss of almost 1,200 sailors, average age 19.

The ship is visible just beneath the surface of the water. Oil still leaks from it, polluting the calm waters. There is a sad silence from the tourists as they spend their 15 minutes on the simple floating deck, a shrine to the dead. It is naturally a popular excursion and, traless you arrive soon after 7.30 am, you might have to wait up to produced the oil used for lighting an hour in the visitor centre.

Pearl Harbor is a sobering antidote to the beach. A more bracing one is a trip to the interior. Within less than 10 miles from one of the minutes from the suburbs of Hono- most popular beaches in the world.

the mountains, among the imported plants and birds which have taken hungrily to this lush environment, finally emerging on to a crest, with the whole of the north of Oahu spread below.

The plants were introduced by the Polynesians - such as the koa tree, used for the surfboards of the chiefs; the olona, the strongest natural fibre in the world, which built the huts; and the kukui nut, which and tattooing.

It is a weird experience to be back to a stone-age environment, obliged to do all the cooking, using lulu you can join a narrow trail it is even weirder if you run into a hotel as a base. The Mandarin Cost, on a room-only basis and two different utensils for men and into the jungle, walking high into party of hunters, crashing through group has just invested \$75m in adults sharing, is £1, £27.

the dense undergrowth, chasing renovating the Kahala Mandarin with knives another import, the Russian Razorback pig.

Oahu in the past was probably never a happy place - ruled first by ritual, then by missionaries and plantation owners. Now, dancing to the demands of tourists, it is probably enjoying its golden age. But to make the most of a very varied island, tourists must leave the beaches for the jungles, the south for the north, and learn to Such journeying is made easy by an excellent and cheap bus service. It also helps to have a luxury

Oriental, located on the other side of Diamond Head, well away from Waikiki. It has a casual elegance but keeps its links with nature by having dolphins in a pool, and a flock of roosting birds. It provides an antidote to the crush of Waikiki, the foreignness of Chinatown, the formality of Honolulu, and the wildness of the interior.

North America Travel (0171-938 3737) offers seven mights on Oahu. avoid the kitsch Hawajian culture including return flights with British for the more authentic recreations. Airways to Los Angeles and a night at the Ritz-Carlton in Pasadena. Then on to Honobilu, for a transfer to the Kahala Mandarin Oriental.

## Jazz in the St Lucia sunshine

**James Henderson** is already looking forward to the festival

t was a scene of utter contentment. A man lying in the sun, verging on the edge of slumber; the strains of hypnotic jazz music rolling out from a stage and filling the warm tropical air. A blossom from a white cedar tree spiralled gently down. hit him on the chin and lay still on his chest. He opened his eyes, realised, and closed

It was the final afternoon of last year's Jazz Festival and St Lucian Luther Francois was running through his specially prepared medley of Caribbean jazz.

Mid-afternoon, the whole thing had an air of a village lete, of happy abandon in the sun, with families on the fringes on picnic rugs, children chasing around playing tag, a few lads in the beer tent – and of course a certain vague attention on the stage activity.

St Lucia's Jazz Festival has now become a fixture on the Caribbean calendar. Like a number of festivals around the area, it was born with sanguine rationale: to increase tourism, the island's most important foreign exchange earner. Staged in May, it is supposed to maintain visitor arrivals beyond the winter season, which traditionally ends in April.

The festival does not break even, but it is reckoned to have been a success - in 1997 it increased visitors by around 15,000. By the by, the profile of St Lucia should be raised on the international stage. Just look what happened to Montreux So much for vulgar

theory. For the visitor, the festival adds an extra focus to a Caribbean holiday. The weather is not that different in May and, with the exception of a few concerts. it is not too crowded so you can simply pick and choose from the range of artists, There are certainly some big names from the world of jazz, but the festival is by no means aimed at the purist. Really it is given as broad an appeal as My first evening was one

for the hard-core devotee, though: Christian McBride, master bassist, followed by Pharoab Sanders, who ran his sexophone through mesmerising scales. The audience, the international visitors and the St Lucian great and good (who understandably have developed an interest in iazz, what with so many greats turning up on the island each year) gasped in reverence and awe.

The policemen, who were there to keep order, could barely stop themselves from dancing.

The tropical island setting is half the advantage, of course, and the St Lucians use it well. Most of the concerts are staged in the evening, leaving you free during the day to pursue activities such as the watersports and lying in the

There is, however, a sort of fringe festival, with local and regional bands playing jazz in the square at lunchtime in the capital Castries, giving something to the St Lucians themselves.

ideal for an open air concert: it uses the best of the evening cool and the huge backdrop of the black

night sky. Next night, I headed off to see Ronny Jordan, on a small stage set under the aerial roots of banyan trees. There was a robust, raw air to the performance; hard-nodding heads and a jangle of metallic tweaks that kicked and merged into

a smooth, calm rhythm. A St Lucian friend arrived and sat next to me. Most St Lucians are slightly boggled by the fact that the organisation seems to work so well ~ arriving on Caribbean time, she had missed half

the show. We went on to see Chaka Khan: "the diva of soul" as introduced by a screaming master of ceremonies. She was certainly a woman of enormous voice.

There is a strong regional quality to the festival too. Of course, West Indians are great music lovers and they flood in from islands nearby. Luther Francois' set on the final afternoon ncluded the NY Latin

The rhythm slid in and out of salsa, soca and zouk with occasional strains of Bob Marley

Allsters (Puerto Ricans from New York) and Caribbean steel drum virtuosos from Trimdad.

The rhythm slid in and out of salsa, soca and zouk and there were even occautound strains of Bob

As darkness gathered, the throng of people pushed down to the front for the final act: Carlos Santana of all people. I used to listen to him 20 years ago when I was a teenager.

remembered, with his liquid, bewitching guitar solos, and as energetic, wandering around the stage with a fistful of maracas, encouraging his brass section to fill the night sky and egging his drummers to new levels of exertion.

The English village fête had transformed into a Caribbean fête (in West Indian parlance the word simply means party - it is the French creole side of St Lucia). Everyone was up and dancing: cedar-biossom man was there and the families had pressed in from the fringes, gathering the guys from the beer tent.

The crowd was carried on the Latin rhythm, heads rising and falling like cresting waves of a swell. In front of me, three St Lucian girls were moving outrageously, their bottoms going up and down like trampet keys. This year's festival runs

from May 6 to 10. Acts will include Grover Washington Jr. Jazz Crusaders and Lorraine Carson, Further details from the St Lucia Tourist Board in London. Tel: 0171-431 3675. The jazz festival has a web site at: stluciajazz.com.

## Mustique – a memorial to Messel

Giles MacDonogh finds a string of tasteful villas - and he hopes they stay that way

o much has hap-pened in the recent history of Mustique that one might be forgiven for thinking the story is 300 years old, and not a mere 30. It all goes back to a vision made flesh by the one-time owner of the island, Cólin Tennant, now Lord Glenconner, who decided to fill his largely uninhabited, waterless island in the Grenadines with villas, and have his sort of people inhabit them.

The first in was Lady Honour Swejdar, nee Guinness, sometime Channon, who built first one then another employed a friend of hers. Oliver Messel, to make the design for Phibblestown. Messel had retired from the theatre after an accident and gone to live in a house of his own design on Barbados.

Messel was a brilliant set told Messel that the spindly tique when Tennant had the mended by Tennant.

brought in the Swede Arne roads and airport, and he was able to interpret Mes- a hurricane which hit one of sel's working drawings. A his houses on Barbados. Haspartnership grew between selquist was triumphant. the two men which survived about 15 houses until-Messel's death in 1978.

of the year on the island. villa at the cliffs at the north and now that Glenconner end of the island. She has gone to lie low in his ets. He altered designs in restaurant on Saint Lucia, construction and was ruthhe is the Mustiquain with the longest view. He houses No darling, not like described working with Mes- that," he would say, and sel. If Hasselquist wanted then rearrange the furniture. something changed. Messel

columns which were his brilliant idea of giving a The process of colonisavive the climate, but Messel promptly got blown away in

Messel had a brilliant eye for detail. At Clonsilla, Lady Honour's second house -Hasselquist still lives part possibly the loveliest - Messel did everything, including the mirrors and lamp brackless with the owners of his

Hasselquist to lay out the wouldn't listen. Then some as a wedding present on her marriage to Anthony Armstrong-Jones. It so happened that Messel was Armstrong-Jones's uncle, so Les Jolies Eaux was designed by him, too. As the piece was rather big, Princess Margaret brought in her cousin, the photographer Lord Lichfield, to take half of it off her

hands. Lichfield employed Hasselquist to build Obsidian. Hasselquist designed another of the island's best houses in an informal The Channons were English colonial style which

designer, but no architect: columns which were his brilliant idea of giving a The process of colonisa-Fortunately, Temant had trademark would not surplece of the south end of the island to Princess Margaret had now begun, but it was doomed by the oil crisis of the early 1970s. Bloodstock had to be brought in and the American, Italian, Venezualan and Russian millionaires were not always prepared to accept Tennant's diktat, architectural or oth-

Nor were they always happy with the simple, cottagey designs of Messel: Queen Anne dolls' houses with depressed arches framing a sea view, thin columns and pierced baroque arches, and a sage counterpoint of inte-

wanted something imposing. There was a spate of oriental designs with a touch of Hollywood. The oddest was Discovery - where Shogun meets Errol Flynn. Indeed, you half expect the latter to swing down from the rafters during dinner. The master bedroom is an exposed collection of rocks with a pool, so that you might imagine

promptly demolished it.

fishing for carp from his cot. rior and exterior spaces. a plush restaurant on the Neo-colonial and Mock-Meswould burst into tears. He already established on Mus- was above all that recom- Tennant's Great House was Costa Brava complete with sel have made a comeback. British West Indian Airlines sold to a Russian who medieval vaults and white- The final number of villas to Barbados.

some mandarin of legend,

washed walls. Two of Now came post-Messel England's most famous pop-Mustique and the architec- singers arrived and immediture went wild. New money ately plumped for some of the ripest and most outrageous of Hasselquist's fanta-

Tennant was already packing his bags. His dream had been shattered. The Mustique Company took over, headed by Brian Alexander, a former guards officer and place the right tone even eclectic. Oceanus looks like that sense has prevailed. Hotel; tel 809 456 4777.

has been limited to 110. The most extreme figure touted was 5.000. Messel is still the best of

Mustique, and the reason why it is not just a partyisland frequented by the very rich. Visiting the villas, you notice how the Messel designs impose an intimacy which makes them a home. even when they are only inhabited for six weeks of the year. With Clonsilla. Blue Waters, Samabaia and Sea Star, Messel established a canon, a holiday villa in the best possible taste. Let's hope, in post-colonial Mustique, their future is secure. the dapper son of the war- Many of Mustique's villas time field marshal. Alexan- may be rented from the Musder was able to lend the tique Company. Tel: 001 809 458 4621. Fax 001 809 456 after the visionary had fled. 4565. Visitors may also stay

Historicism went wild or Now old Mustique hands say at Messel's Cotton House Giles MacDonnah flem

SPORT

John Barrett feels privileged to watch history in the making

Australia

lleged to glimpse the future. Bjorn Borg. a slight, round-shouldered figure at the age of 17, beating Buster Mottram in the junior final at Wimbledon from 2-5 down in the final set: 16year-old Chris Event carving her way through to the semifinals of the 1971 US Open with metronomic precision and pushing Billie Jean King to the limit; John McEnroe, aged 18. winning eight matches at Wimbledon in 1977 as he roars through to the semi-finals; Martina Navratilova at the age of 17 serving and volleying like a veteran as she leads the Czech team to victory in the Adelaide. 21-and-under BP Cup at Torquay: Ken Rosewall, in 1953. playing precision tennis to beat America's Vic Seixas to win the French Championships at the age of 18: Steffl Graf, all arms and legs at the age of 14, taking Jo Durie to 9-7 in the final set in the fourth round at Wimbledon: Monica Seles, a frail 15-yearold in 1969, scaring the pants off the same Graf, by now

They are rare, these would have disagreed. In a the other two, he won the moments of revelation. And precious. To have witnessed two within the last week has Spadea 6-1 in the final set to been quite extraordinary. The first came unexpectedly in Adelaide. I had arrived at Memorial Drive last Friday to see how Andre Agassi was faring in his attempt to re-establish himself after falling said. out of the top 100 last year for the first time since he

the defending champion, in a

nail-biting semi-final at the

French Open: Martina Hin-

turned professional in 1988. It was hot and bumid on quarter finals day at the Australian Hard Court Championships. Agassi had Agassi, he takes the ball

very now and asked for a wild card into then you are priv- the draw because he needed the match practice. He was due to play Brett Steven of New Zealand, who had put out the French Open champion Gustavo Kuerten in the second round.

Around the club there was a good deal of chat about the progress of a local lad who had been given the other wild card after winning a domestic event the previous week. In fact, at 16 years and 10 months, Lleyton Hewitt had already become a minor celebrity by eliminating two fellow Aussies - first Scott Draper and then Mark Woodforde - who has been something of a mentor because they both come from

Hewitt's quarter-final opponent was a good young American called Vince Spadea. The winner would play either Agassi or Steven. Agassi's win in three sets on a scorching afternoon was lander had got off to a golden start and won the opening set 8-1. Agassi, looking much leaner and fitter than he had done last year, found his range after recovering from 0-40 in the first game of the second set and allowed Steven only two

gls. aged 12, winning the junior crown in Paris against an embarrassed Bel- "I'm getting better with opportunities. Three times glan girl five years her every match," said the 27- Hewitt hit winning second year-old American. No one serves, two of them aces. On night match interrupted by showers, Hewitt had beaten set up a meeting against his hero. "It's true. I do have posters of him at home. I can't believe i shall be on the same court as him. It's like a dream come true," he

For Agassi, their match was more of a nightmare. No 1 played badly in losing 7-6, 7-6. It was simply that



Triumphant newcomers: Lleyton Hewitt geft), who beet his hero Andre Agessi, and Venus Williams, who predicted her victory over Martine Hingle

forehand, double-handed on the backhand, and hits it either flat and fast or with

Like his hero, he is quick about the court. Standing only 5st 10in, he has to be. What was so impressive was the way Hewitt dealt with the important points. Five times Agassi had break rallies. There was a fearless intensity about Hewitt's play that was remarkable. The telling lob he hit to turn the second tle-break his way was the work of an instinctive match player. Afterwards, Agassi admit-

ted he had underestimated his opponent. "I kept thinking he would go away," he said. "I should have given Not that the former world him more heat on those key points." But that would have not been easy, as Jason Hewitt was inspired. Like Stoltenberg discovered in the final, Despite leading 4-2

early, single-handed on the in the third set tie-break, he Jonas Bjorkman in the first was outplayed as Hewitt round of this week's tournatook the next five points. among them another telling lob, for the title.

"I wasn't nervous at all," said Hewitt. "I suppose I had nothing to lose and everything to gain." What young Hewitt has gained is a new record. Never before has a player as young as this won the first tournament he has entered on the ATP Tour

The only other senior event he has played is last vear's Australian Open. where he was a qualifier and lost in the first round. Only two vounger men have ever won tournaments on the Tour. Michael Chang was 16.7 when he won in San Francisco in 1988, and Aaron Krickstein was 16.2 when he took the Tel Aviv title in

ability that he should have been able to bounce back from such a physically and psychologically draining the final of the US Open week to beat world No 4 unseeded last September,

ment in Sydney. He even served for the match in the second round against fellow Australian Michael Tebbutt. it was probably no bad thing that Hewitt lost. He

will need all the time avail-

Agassi had asked for a wild card needed the

practice

able to prepare properly for the Australian Open, which begins in Melbourne next Monday.

The second moment of rev-It is a measure of Hewitt's elation followed fast on the heels of the first. Venus Williams, the black teenage American who had reached

had arrived in Sydney last form that had won her three week in good time to accli-

on the eve of the tournsment, Williams, ranked 21. spoke of her conviction that she would soon overtake fellow teenager Martina Hingis as the world No 1. Eyebrows were raised. Confidence is an admirable quality, over-confidence less attractive.

Poignantly, the Sydney together in the second first. As one of the top four seems to burn the lungs. seeds, defending champion The fact that Williams had Hingis had a bye. When Dra- not taken more than six gomir retired with a thigh games off the world No 1 in injury after losing the first three previous meetings set 6-4. Williams bemoaned the fact that she was losing did not dismay the Amerithe opportunity for match

Practice was a commodity that Hingis lacked. She had arrived late from Europe, presumably confident that she would slip back into the sprayed far too many errors witness it.

practice.

of the four Grand Slam crowns in 1997. So dominant lost only five times, despite a five-week gap following a riding accident that had required arthroscopic sur-

FINANCIAL TIMES WEEKEND JANUARY 17/JANUARY 18-1998

gery on an injured knee. As Hingis should have remembered, summer afternoons in Sydney and Melbourne can be brutally hot. With so little time to acclidraw had thrown these two matiss, Hingis was unlucky York and volleyed well, too. that the day of her match round, provided that Wil- against Williams was one of example of positive thinking liams could best Ruxandra those humid scorchers overcoming the skill and

> The fact that Williams had the last the US Open final can. "I made a lot of mistakes in that match," she said. "I was basically out of control and she took advan-

tage of me playing so badly."

that day, going for too much, nificent battle, in which both women suffered dehydration and the onset of cramp, Williams beat Hingis 3-6, 6-4, 7-5.

Her power from the baseline was simply too much for an opponent who looked a trifle slower than usual. Williams served much better than she had done in New This was a magnificent Dragomir of Romania in the where every deep breath guile of the greatest match player for her age the game

> As the season unfolds, the rivalry that is developing between Hingis and the Williams family - Venus's younger sister Serena beat both Mirjana Lucic and Lindsay Davenport this week - is likely to produce the best tennis since the days of Evert and Navrati-It was true. Williams had love it will be a privilege to

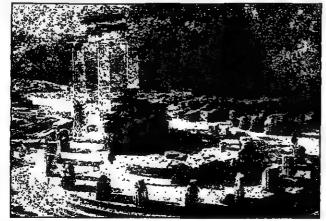
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# Think, talk and wear Posh

Football

Antony Thorncroft on a team chairman trying to win over the whole town's loyalty

uesday was blues Peterborough in his own of the FA Cup by Walsall, that make life in the lower divisions almost worth living - a fourth round away game at Manchester United.

There was a small consolation for Peter Boizot, chairman and paymaster of the Posh, who is using some of the fortune he made from bringing his Pizza Express chain to market to prop up his home-town team. The attendance of nearly 13,000 was almost three times the average crowd of a year ago. But the Posh have missed out on the big. six-figure.

and counting, money.
"I have told manager Barry Fry that I can afford to lose film a year for a few years to come, but I don't really want to," says Boizot. His hope is that he can somehow balance the books and hand over the Posh to the good folk of Peter-

Despite his undoubted business acumen. Boizot nurtures a Boy's Own Paper approach to football. He was born, bred and schooled in Peterborough, and was an obvious choice when the youth team needed some

He was so impressed by the clean-cut, nicely spoken lads that last January he bought the whole outfit, investing almost 52m in paying off Peterborough's debts and acquiring 97 per cent of

day for the Posh: image. Boizot remembers Peterborough going to matches in 1947, United, knocked out when the police band entertained the crowd before the and losing out on one of match and supporters those unexpected windfalls swathed themselves in club colours, waved their rattles and enjoying nothing more after the game than a good-natured josh with fans of the opposing team.

Rather remarkably he wants to instil this spirit at Peterborough. He is just back from Green Bay on Lake Michigan to see how an American football team like the Packers can completely win over the loyalty of a small community, and he won't be happy until the people of Peterborough think, talk, and wear the Posh. He is planning a new strip, a new club mascot and

much smarter merchandise. Under tough manager Barry Fry. the players are encouraged to train hard. play fair and become role models for the town. More to the point, Fry has been told he need not sell off his best young players, the inevitable, if self-defeating, financial fallback of most Division

Three clubs. Of course Boizot could be on a dispiriting learning curve. He is already adept at blaming the ref for some of Peterborough's latest reverses, and a recent attempt to draw fellow football club chairmen into his life-enhancing vision proved England's regional musea cruel disappointment. Before giving his heart,

flood (he has raised over ball League suggesting they the other football team Westminster Hockey Club: Now he is trying to reform



2500,000 for the city by should collectively sponsor placing a surcharge on his Veneziana pizza); as a patron of iazz, and as a friend of the arts, notably the Royal Academy.

The RA was having problems finding a sponsor for its latest exhibition, a collection of art treasures from ums. Boizot thought it was an excellent idea to link local museums with local

the show.

He failed to get a result, and has done the decent thing, finding over £100,000 of his own money to nail the name of Peterborough United as sponsor to "Art When it opens next week manager Fry and the players not spend too many Saturwill be mingling with the art day afternoons shouting on crowd, plus those supporters lured along by a cut-price still turns out as a player Boizot was best known as a football clubs, and wrote to offer in the Posh pro- as a hockey player for his preserver of Venice from the the 91 chairmen in the Foot- gramme. Rather graciously, true love, Hampstead and

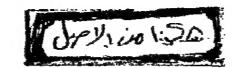
bosses have been invited to the party.

Owning a lower league football club is inevitably a labour of love. But Boizot has already gained some satisfaction at Peterborough. By investing around £400,000 a year in the youth team and maintaining a consistent line-up on the field, the Posh are second in the division and on line for promotion. Crowds have risen from 5,000 to 7,000 and more.

There is also the property element. Apart from Peterborough United, Boizot has invested over £10m in the town, buying up and refurbishing a cinema, an office block and an hotel. A successful football team can add community. He is also planning ground improvements which will provide a better shop and restaurant, including a pizza outlet, and a new stand that will offer yet

more retail opportunities. The new stand will replace another new stand, which opened two years ago and has proved a disappointment. One of its attractions was its hospitality boxes, which were snapped up by local companies. But few firms renewed for this season. The glass in the boxes steamed up, leaving the guests with a view of their drinks but not of the action on the pitch.

Unfortunately, Boizot canthe Posh. At the age of 68, he



INTERNATIONAL ARTS GUIDE

#### What's on around the world

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#### M AMSTERDAM

EXHIBITIONS Rijksmuseum Tel: 31-20-673 2121 Medieval illustrated histories: the Hausbuch and its Master. Drawings, prints and a panel painting by the the Master of the Amsterdam Cabinet, ncluding the 64 sheets of the Hausbuch, which has been taken apart for restoration; ends tomorrow

Stadelilk Museum Tel: 31-20-5732911 www.stedelijk.nl Malevich: Works on Paper from the Khardzhiev Collection Exhibited for the First Time. Around 80 works, spanning traost the whole of the Russian avant-garde artist's career, to Jan 25

BALTIMORE EXHIBITIONS Baltimore Museum of Art Tel: 1-410-396 6310 A Grand Design: The Art of the Victoria and Albert Museum. First stop of a five-city North American tour of selected objects from the V&A's collection. Consists of 250 works of art ranging from Leonardo da Vinci's notebooks to shoes by Vivienne Westwood; ends tomorrow

I BERLIN CONCERTS Philharmonie Tel: 49-30-2548 8354 Berlin Philharmonic Orchestra: conducted by Nikolaus Hamoncourt in works by Beethoven; Jan 17, 18

E COPENHAGEN EXHIBITIONS

Louisiana Museum of Modern Art, Humlebaek Tel: 45-4919 0719 www.louisiana.dk Francis Bacon: this first major retrospective of Bacon to be mounted in Scandinavia will include loans from around the world; from Jan 23 to

Apr 28 The Louislana Exhibition 1997: New Art from Denmark and Scania. First of a planned series of shows which will present contemporary work from the region, this show includes new works by around 50 artists; to Feb 8

#### **EDINBURGH**

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EXHIBITIONS National Gallery of Scotland Tel: 44-131-624 6200 Turner Watercolours: bequeathed in 1900 by the Victorian collector Henry Vaughen, these 38 paintings have been exhibited annually for more than 90 years. The terms of Vaughan's will stipulated that they must not be on permanent display, as he feared the demaging effects of too much light; to

Scottish National Gallery of Modern

Tel: 44-131-624 6200 Correspondences: transferring from the Martin-Gropius-Bau, Berlin, a selection of works by six young Scottish and six young German artists. Organised as an exchange, the display includes painting, sculpture, video and light projections; to Feb 1

#### **GLASGOW**

EXHIBITIONS **Burrell Collection** Tel: 44-141-649 7151 Sir John Lavery (1856-1941): The Irish Glasgow Boy. Highlights include "The Tennis Party" (1885), "State Visit of Queen Victoria to the Glasgow International Exhibition" (1888), and major portraits in which the influence of Whistier is clearly visible; to Jan 25

#### ■ -HONG KONG EXHIBITIONS

Hong Kong Museum of Art www.usd.gov.hk/CE/Museum National Treasures: major exhibition sembling some 160 works of art on loan from China's 30 museums. Includes bronzes, jades, ceramics, paintings and tapestries, some of which have never travelled before. The exhibition brings together objects from all over China, and ranges from the Neolithic period to the early 20th century; to Mar 1

#### LONDON

CONCERTS Tel: 44-171-638 8891 London Symphony Orchestra: Shell LSO 21st Anniversary Concert Conducted by Elgar Howarth in works by Mendelssohn, Jacobs, Cashlan and Britten: Jan 21

Queen Elizabeth Hall Tel: 44-171-928 8800 London Sinfonletta: Elliott Carter at 90. Oliver Knussen conducts a programme of works by Carter, including the UK premiere of his Clarinet Concerto. With soloist Michael Collins; Jan 19

DANCE -Royal Festival Hall Tel: 44-171-928-8800 The Royal Ballet Cinderella, Jan 17

**EXHIBITIONS** Barbican Art Gallery Tel: 44-171-638 8891 .

 Shaker: The Art of Craftsmanship. First major exhibition of furniture and decorative arts from one of the most Influential Staker communities, Mount Lebanon. The show traces the origins of the Shaker movement from its origins in late 18th century England. through its development in 19th century America to what became a Colliny America to what Occaring a



Portrait of the artist's wife wearing a kimono, 1901, by Henri Matisse, at the Musei Capitolini in Rome, until Tuesday

philosophy and a way of life; from Jan 22 to Apr 26 The Art of the Harley: 30 customised motorcycles provide the centrepiece of this display devoted to the 95 year history of the Harley-Davidson company; from Jan 22 to Apr 26

National Gallery Tel: 44-171-839 3321 Making & Meaning: Holbein's Ambassadors. This recently cleaned double portrait by Hans Holbein the Younger pictures two French ambassadors to the court of Henry VIII in 1533. Presented alongside are drawings and miniatures, and objects relevant to the painting's political and religious background; to Feb 1

 Recognising Van Eyck: bringing together several rare works by the 15th century Netherlandish master alongside other works; to Mar 15

National Portrait Gallery Tel: 44-171-306 0055 Bruce Weber: first major museum retrospective devoted to Weber's portraits, this show includes some 200 prints, of subjects ranging from young Hollywood stars to the Duchess of Devonshire; to Feb 15

 Hyenas in Petticoats: Mary Wollstonecraft & Mary Shelley. Celebration of the joint bicentenary of the two women writers, the birth of the latter having caused her mother's. death. Through portraiture, drawings and manuscripts the display examines their lives, times and writings; to

 Sir Henry Raebum (1756-1823); previously seen in Edinburgh, this exhibition of some 60 paintings includes the major portraits belonging to the National Gallery of Scotland as well as loans from abroad; to Feb 1

Royal Academy of Arts Tel: 44-171-439 7438 Art Treasures of England: The Regional Collections. Display of some 500 paintings, drawings and sculptures which will tell the history of the public collections outside London, from the foundation of the first university museums in the 17th century to the present, including works by Canaletto. Hogarth, Turner and Francis Bacon, the exhibition will also seek to surprise with the works of less well-known artists; from Jan 22 to Apr 13

Tate Gallery Tel: 44-171-887 8000 ● The Turner Prize 1997: display of works by each of the nominees on this year's all-woman shortlist; Christine Borland, Angela Bulloch, Comelia Parker and Gillian Wearing; ends on

Sunday : • Turner on the Loire: selection of watercolours, engravings, and a long lost oil which document the painter's tour of northern France in 1826, the climax of which was his journey up the River Loire; to Feb 15

Victoria and Albert Museum Tel: 44-171-938 8500 Carl and Karin Larsson: Creators of the Swedish Style: Recreates five rooms of the famous house at Sundborn, and examines its extraordinary impact on the interior design of our century; to

OPERA. Shaftesbury Theatre Tel: 44-171-379 5399

The Royal Opera: Le nozze di Figaro, by Mozart. Conducted by Charles Mackerras, with designs by Peter Pabst; Jan 19, 21, 22, 23

THEATRE Aldwych Theatre Tel: 44-171-416 6003 Army's View: by David Hare. Transferring from the National Theatre, Hare's play - directed by Richard Eyre - stars Judi Dench and Samantha Bond as mother and daughter

Apolio Theatre, Shaftesbury Avenue Tel: 44-171-494 5070 Popcom: by Ben Elton. Comedy addressing the effect of too much violence in the cinema

Barbican Theatre Tel: 44-171-638 8891 Cymbeline: by Shakespeare. Adrian Noble's Royal Shakespeare Company production; Jan 19, 20, 21, 22

The Mysteries: directed by Katle Mitchell, at the Pit; Jan 19, 20, 21, 22

Lyric Theatre, Shaftesbury Avenue Tel: 44-171-494 5045 Cyrano de Bergerac: by Edmond Rostand, translated and adapted by Anthony Burgess. West End transfer of the RSC production, starring Antony Sher and directed by Gregory Doran

National Theatre Tel: 44-171-928 2252

 Othello: by Shakespeare. Sam Mendes directs a cast which stars David Harewood as Othello, Simon Russell Beale as lago and Claire Skinner as Desdemona; Cottesioe

The Invention of Love: the protagonist of Tom Stoppard's new play is the poet and classic scholar A E Houseman, played by Paul Rhys and John Wood. Richard Eyre directs a production designed by Anthony Ward; Lyttleton Theatre An Enemy of the People: by Ibsen,

in a new version by Christopher Hampton. Directed by Trevor Nunn. Cast includes lan McKellen; Olivier Theatre

#### LOS ANGELES CONCERTS

**Dorothy Chandler Pavilion** Tel: 1-213-365 3500 Los Angeles Philharmonic: conducted by Franz Weiser-Möst in works by Mozart and Bruckner; Jan 22, 23

EXHIBITIONS Museum of Contemporary Art Tel: 1-213-626 6222 www.MOCA-LA.org. Cindy Sherman: retrospective tracing the New York-based artist's development from the 1970s to the present. Consisting of 156 works, this show presents selections from each of her major series; to Feb 1, then touring

**OPERA** L. A. Opera, Dorothy Chandler Pavilion Tel: 1-213-972 8001

www.laopera.org Salome: by R. Strauss. Revival of Sir Peter Hall's production, conducted by Richard Hickox; Jan 18, 21

MILAN OPERA Teatro alla Scala Tel: 39-2-88791

Il Cappello di Paglia di Firenze: by Rota. Conducted by Bruno Campanelle in a staging by Pier Luigi Pizzi; Jan 17,

#### MUNICH

**EXHIBITIONS** Haus der Kunst

 Elisworth Kelly: retrospective of the American abstract painter and sculptor, b. 1923, now in his 70s and one of the most distinguished living artists. Organised with the Guggenheim Museum and previously seen in Nev York, Los Angeles and London;

ends tomorrow Joel Shapiro: sculptures 1993-1997; ends tomorrow Juliao Sarmento: display of recent

works by the Portuguese painter; ends

#### MEW YORK DANCE

New York City Ballet, New York

State Theater Tel: 1-212-870 5570 Jewels: by Balanchine, to music by Fauré, Stravinsky and Tchaikovsky;

EXHIBITIONS Metropolitan Museum of Art Tel: 1-212-879 5500

www.metmuseum.org Francesco Clemente: Indian Watercolours. Album made by the Italian contemporary artist in India over the last two years; to Feb 8 Gianni Versace: this tribute to the

late Italian designer explores the influences upon his work of abstract artists including Warhol, and of historical styles ranging from Greek and Roman classicism to 18th century court styles, and the Vienna Secession. The show also explores his use of new materials such as plastic and leather, and includes designs for the theatre; to

 Jackson Pollock (1912-1956): Early Sketchbooks and Drawings, Display of 48 rarely seen pages from the Abstract Expressionist's sketchbooks, and 24 drawings. Includes studies and portraits; to Feb 8

 John La Farge: more than 30 paintings and stained glass windows by the 19th century American artist; to lan 25 King of the World: A Mughal Manuscript from the Royal Library,

Windsor Castle. The Padshahnama, by

works by the American Abstract Expressionist, tracing his evolution from Cubism towards his mature style. Includes loans from the artist's estate;

Abdul-Hamid Lahawri, made for the emperor Shah-Jahan, builder of the Taj Mahal, and one of his finest

Berggruen Klee Collection; to Feb 8

Master Hand: Individuality and Creativity Among Yoruba Sculptors; to

Richard Pousette-Dart (1916-1992):

Museum of Modern Art Tel: 1-212-708 9480

possessions; to Feb 8

Kiee Landscapes: from the

www.moma.org From Henri de Toulouse-Lautrec to Andy Warhol: Exploring Techniques. Selection of 70 woodcuts, etchings, lithographs and screenprints, demonstrating that stylistic achievements have been linked to printmaking processes; to Feb 8 New Concepts in Printmaking 1: Peter Halley: installation of technologically-derived works by the painter launches a series which aims to

challenge conventional notions of printmaking; to Feb 8
On the Edge: Contemporary Art from the Werner and Elaine Dannheisser Collection. More than 80 works by artists including Tony Cragg and Cindy Sherman; ends on Tuesday

Whitney Museum of American Art

Tel: 1-212-3272801 Fashion and Film: running concurrently with the Warhol show, this film and video series traces the relationship between the two industries, from early fashion newsreels and the studio designers of the 1930s to the present; ends tomorrow The Warhol Look/Glamour Style Fashion: major retrospective of around 500 works of art, following Warhol's career from the 1940s to the 1980s. and also including works by his contemporaries. The exhibition is presented in seven sections, and begins with a consideration of Warhol's early fascination with Hollywood lamour, ends tomorrow

#### OPERA Metropolitan Opera, Lincoln Center

Tel: 1-212-362 6000 www.metopera.org
Capriccio: by R. Strauss, New production by John Cox, with sets by Mauro Pagano; Jan 21 La Cenerentola: by Rossini. Met

Opera premiere. New production conducted by James Levine in a staging by Cesare Lievi, with designs by Maurizio Baló; Jan 20
The Rake's Progress: by Stravinsky. New production by Jonathan Miller,

conducted by James Levine, Cast includes Dawn Upshaw and Samuel Ramey; Jan 17 THEATRE

Broadhurst Theater, 235 W. 44th St. Tel: 1-212-239 6200 Proposals: by Neil Simon. Nostalgic family drama, directed by Joe Mantello

Broadway at 45th St. Tel: 1-212-719 1300 A View from the Bridge: by Arthur Miller. Roundabout Theater production directed by Michael Mayer. Anthony Paglia plays Eddie, Brittany Murphy

his unfortunate niece Music Box, 239 W. 45th St. Tel: 1-212-239 6200 The Diary of Anne Frank: newly adapted by Wendy Kesselman,

directed by James Lapine and starring Natalie Portman

#### PARIS

CONCERTS

Tel: 33-1-4561 6589 Orchestre de Paris: conducted by Gilbert Varga in works by Strauss. Kancheli and Dvorák. With cellist Mstislav Rostropovich; Jan 21, 22

Théâtre des Champs Elysées Tel: 33-1-49525050

Russian State Symphony Orchestra: conducted by Evgueny Svetlanov in works by Sibelius and Stravinsky. With violin soloist Dimitri Makhtin; Jan 20

#### EXHIBITIONS Musée Carnavalet

Tel: 33-1-4272 2112 Paris and the Parislans in the time of Louis IV: more than 300 engravings, which together create a vivid impression of 17th century Paris. including portraits, images of the city and its monuments, as well as proverbs, allegorical works, and manacs; to Jan 18

Musée du Louvre Tel: 33-1-4020 5151

www.louvre.fr Pajou, sculpteur du Roi: first retrospective devoted to works by the French sculptor (1730-1809), successful in the French Royal Academy of Painting and Sculpture and a favourite of Louis XV and Louis XVI. Includes marble statues, portrait busts, terracotta sketch-models, and drawings including designs for the

opera at Versailles. Ends on Monday. then travelling to New York

#### 見 ROME

**EXHIBITIONS** 

Musei Capitolini Henri Matisse: more than 200 works are included in this major exhibition. which aims to demonstrate the profound influence of Oriental art upon the great modernist. In 1910 Matisse travelled to Munich to see the first major exhibition of Islamic art. and examples of Islamic and Byzantine art here provide a context in which to regard works by Matissse; ends on

Palazzo Ruspoli Tel: 39-6-6830 7344 www.palazzoruspoli.it Fayum: Mummy Portraits. Previously shown at the British Museum in London, this exhibition contains nearly 200 portraits. Painted on wooden panels, linen shrouds, cartonnage or three-dimensional plaster masks, they were created during the first three centuries of Roman rule in Egypt; to Feb 28

Palazzo Venezia Tel: 39-6-6999 4259 Pietro da Cortona (1597-1669): celebrating the 400th anniversary of the birth of the Italian baroque artist, this retrospective comprises around 100 paintings, as well as architectural drawings and a group of sculptures. Cortona was responsible for ceilings in the Palazzo Barberini as well as decorative schemes in numerous other Roman churches and palaces; to

**OPERA** Teatro dell' Opera Tel: 39-6-481601 www.themix.it Le Nozze di Figaro: by Mozart. Production for the Teatro Comunale in Florence by Jonathan Miller. Conducted by Hans Graf, with sets by Peter J Davison; Jan 22

#### SAN FRANCISCO

OPERA San Francisco Opera, War Memorial Opera House Tel: 1-415-864 3330

www.stopera.com Le Nozze de Figaro: by Mozart. Conducted by Ivor Bolton in a staging by Graziella Sciutti; Jan 17 Tosca: by Puccini. Conducted by Maurizio Barbacini in a staging by Lotfi Mansouri. Georgina Lukacs sings the

#### VIENNA **EXHIBITIONS**

title role; Jan 18

Jüdisches Museum Tel: 43-1-535 0431 www.jmw.at Max Liebermann: selection of paintings by the German Impressionist dating from the period 1900-1918. Also on display are French Impressionist works he collected; ends tomorrow

KunstHausWien

Tel: 43-1-712 0495 Herb Ritts: first European retrospective of work by the American photographer. Previously seen in Boston, the exhibition ranges from portraits of Hollywood celebrities to images of

Africa: ends tomorrow Kunsthistorisches Museum Tel: 43-1-525240

Pieter Brueghel and Jan Brueghel: comprehensive survey of the art of the two sons of Pieter Brueghel the Elder. Includes around 130 paintings and 20 works on paper by Jan Brueghel the Elder (1568-1625) and his less celebrated brother Pieter Brueghei the Younger (1564-1637/8). The exhibition also includes a dozen important works by their father, enabling visitors to trace his influence upon the technique of his sons: to Apr 14

#### WASHINGTON

EXHIBITIONS National Gallery of Art Tel: 1-202-737 4215 www.nge.gov Lorenzo Lotto: Rediscovered Master of the Renaissance. 50 paintings, many of them on loan from churches and museums in Italy. To Mar 1, then touring to Europe

OPERA Washington Opera Tel: 1-202-295 2400 www.dc-opera.org Doña Francisquita: by Vives. Conducted by Miguel Roa in a staging by Emilio Sagi, with choreography by Goyo Montero; Kennedy Center Eisenhower Theater; Jan 17, 20, 23 L' Ellsir d' Amore: by Donizetti. Conducted by John Keenan in a staging by Stephen Lawless, with designs by Johan Engels; Kennedy Center Eisenhower Theater; Jan 19, 22 The Magic Flute: by Mozart. Revival conducted by by Heinz Fricke and directed by Sonja Frisell. With designs by Zack Brown; Kennedy Center Eisenhower Theater; Jan 18, 21

#### ZURICH **EXHIBITIONS**

Kunsthaus Zurich Tel: 41-1-251 6765 Amold Böcklin, Giorgio de Chirico, Max Ernst: Voyage into the Unknown, comprising 130 paintings, collages and sketches; to Jan 18

**OPERA** Zurich Opera Tel: 41-1-268 6400 Oberon: by Weber. New production staged by Johannes Schaaf, conducted by John Eliot Gardiner in his Zurich Opera debut; the first night is Wednesday

Arts Guide by Susanna Rustin e-mail: susanna.rustin@ft.com Additional listings supplied by **ArtBase** Tel: 31-20-664 6441 E-mail:artbase@pi.net



Detail from 'The Triumph of Death', 1625, by Pleter Brueghel the Younger, copied from a work by his father Pieter Brueghel the Elder. At the Kunsthistorisches Museum, Vienna

# Weekend Investor

Wall Street

### A year for investors to play it safe

Picking the right sector is more important than ever, writes **Daniel Bögler** 

the Standard & Poor's Composite index produced a total return of more than 33 per cent, the third straight year of out-sized gains. Provided capitalisation stocks or, even better, to index-tracking funds, they will have been rewarded handsomely.

This year promises to be very different. Growth in US corporate earnings is set to fail from 11 to perhaps 7 per cent as Asia and a slowing domestic economy take their

Even assuming a further expansion of price earnings multiples on the back of lower interest rates and inflation, most equity strategists are forecasting more modest total returns of around 10 to 15 per cept.

In this tougher environment, the onus will be back on active stock-pickers to choose the right sectors.

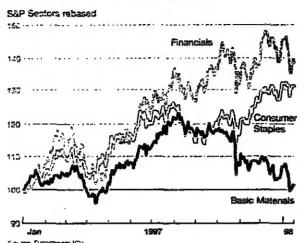
Financials, last year's star performer which beat the S&P Composite by 15 per cent, remains a firm favourite with most analysts. John Manley, strategist at Salomon Smith Barney, points to consolidation, cost cutting and reduced cyclicality as the fundamental attractions behind commercial banks.

Admittedly, the international money centre banks. such as Chase Manhattan. Citicoro and BankAmerica. have substantial exposure to Asia, but their shares have been hit accordingly and now stand at steep discounts to the market. Meanwhile, investors should continue to benefit from the wave of takeovers sweeping through the domestic regional banks. which has driven prices to

itself is likely to slacken, ness. This suggests compasimply because there are few significant targets left. But the earnings momentum and geographical balance of the big investment banks and brokers - Merrill Lynch and Morgan Stanley Dean Witter spring to mind - ought to ensure another good year for

Healthcare stocks should produce another strong showing after their 10 per cent outperformance of the index in 1997. While the big pharmaceutical groups are

Sectors don't move together



trading at a demanding 40 per cent premium to the their solid double-digit earnings growth and defensive qualities make them a reliable choice during volatile times.

Volumes are rising steadily as managed care companies increase drug use to shorten expensive hospital stays, and Warner-Lambert, Pfizer and Merck are all launching promising new products. The third sector on most

lists is technology, which has had a rotten time since the Asian crisis blew up last autumn. Some of that underperformance has been for good reasons. The dramatic December profit warning from Oracle, the database provider, showed how rapidly falling demand in Asia has spilled over into earnings and a number of other software and components suppliers, such as 3Com. have also disappointed.

Yet Intel's better than expected results this week showed that stronger sales By contrast, the pace of in Europe were making up consolidation on Wall Street for much of the Asian weaknies with a dominant market position, such as Intel in semiconductors or Alicrosoft, should continue to fare well.

Moreover, personal computer makers such as Dell. Compaq and Hewlett-Packard, which have strong, low-cost business models. look ideally placed to continue to win market share

and outperform. Led by such stocks, Lehman Brothers' analyst Arun Kumar argues that the techs as a group should produce

the best returns of any sector during 1998.

Consumer companies are a more difficult call. If this year is as difficult as expected, large multinationals such as Coca-Cola, Gillette and Procter & Gamble look like low-risk bets. But, given the slowdown in economic growth at home and cheaper imports because of the dollar's strength, consumer stocks will generally find it difficult to raise prices and margins.

The same is true of the more cyclical consumer groups, such as car makers and house builders. Similarly, oil and epergy stocks have to overcome falling oil prices, while telecoms and utilities, particularly electricity generators, will spend 1998 wrestling with deregulation and increasing competition. Basic materials, especially mining and steel, also look unattractive given falling commodity prices and overcapacity.

Against a background of falling market returns, the best advice for investors determined to remain in equities is probably to play companies in defensive sectors such as healthcare. financials and consumer staples, and to spice up their portfolios with a sprinkling

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Monday .	7,580.42	- <u>222 2</u> 0
Tuesday	7,647.18	+ 66.76
Wednesday	7,732.13	+ 84.95
Thursday	7,691.77	- 92.92
Friday		

# Little does not go a long way

Small companies have faltered, says Philip Coggan

tiful in stock market terms, but no longer. in the 1980s that smaller company stocks beat their larger brethren over the long run, investors have seen that principle negated in the

If the investment catchphrase of the 1980s was "ele-phants don't gallop", the 1990s motto must be that "a good big 'un will always beat

a good little 'un". smallcaps suddenly become such a washout?

Elroy Dimson and Paul Marsh of the London Business School, who did a lot of the pioneering work in discovering the UK small company effect, have tried to

come up with an answer. From 1955, the Hoare Govett Smaller Companies index, which they developed, outperformed the FTSE All-Share index by 6 per cent a investors been poor, the preyear, since then it has under-

SmallCap relative to the FTSE 100 index

Highlights of the week

Sainaburv (J)

Savoy Hotels A

Small comfort

shift can be found in the fundamental performance of the companies concerned.

Over the 1955-88 period. real dividend growth in the small company sector was 3.3 per cent a year, as opposed to just 1.5 per cent for large companies. The result was twofold:

investors earned greater returns from smaller stocks Why has investing in and they were, accordingly, willing to pay a greater pre-mium for small companies. forcing up share prices in

Since 1989, the real rate of growth in smaller company dividends was just 0.9 per cent, compared with the 4.2 per cent growth achieved by

larger groups.
Small wonder that smaller stocks have underperformed. Not only have the returns to

mall used to be beau- performed by the same small companies has just about disappeared (the FTSE According to Dimson and SmallCap [ex-investment ... Marsh, the reason for this crust] index now trades on a higher yield than the FTSE

> performance of small companies been so bad? In part, this could be due to chang ing economic and industrial

In the 1960s and 1970s. large UK companies were over-manned, and it was possible for small companies to be more flexible and (proportionately) profitable.

More recently; however, large companies have been successful in restructuring and cutting costs. As a result, they have gained the advantages of pri-

cing power and economies of scale in a highly competitive giobal market. Sectoral factors are an

issue, too. The large company indices contain a high



'A good big 'un will always best a good little 'un'

industries where economies of scale can be achieved; aller indices are weighted towards engineering, where it has proved much more difficult to build global busi-

There are few signs, as yet, of those trends changing in 1998.

Meanwhile, for small and large companies alike, the week started on an ominous note after the collapse of Peregrine Investments, a Hong Kong investment bank, and Wall Street's 322point drop on the previous

For a while on Monday, it looked as if the markets were re-living the mini-crash of last October; the FTSE 100 index was down 150 points at the day's worst. But Wall Street recovered quickly, and rallies in Asian markets on Tuesday and Wednesday restored something of a measure of calm.

On Thursday and Friday, the solid underlying position of the UK market took over (the high level of institutional cash holdings and the prospect of more cash from buy-backs and takeovers) have been heightened by the and Footsie marched ahead British Retail Consortium to within 67 points of its survey, published on the all-time closing high.

once, came from domestic high street before Christ-Wednesday's news. announcement of an increase in the annual rate of average earnings growth, to 4.75 per cent, was a sign of the wage pressures building in Asia? Its decision could be up in the economy.

The news immediately brought forth cautionary the rest of the year. comments from Eddie

George, the governor of the Bank of England, and wa seen widely as making yet more likely when the Bank's monetary policy committee meets next month.

1.46

1.527

or Sugar

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 $(1/2\pi)^{-1} \sum_{i=1}^{n} (1/2\pi)^{-1} \sum_{i=1}^{n} (1/2$ 

While good news for those of us in employment, the rise in wage pressures is nothing but bad news for the equity market.

Either employers will pass on higher wages to custom ers in the form of higher prices, and the Bank will prove unable to pass on their higher labour costs and their

the western world are expec ted to be steady or falling in response to the Asian crisis. a further rise in UK rates seems likely to increase the upward pressure on sterling.

Signs that exporting is becoming more of a struggle emerged in Monday's manufacturing output figures, which showed a 0.4 per cent drop in November. But the Bank's dilemma in

setting monetary policy will same day, which revealed a The main sour note for last minute dash to the

> So, does the Bank pay most attention to wage pressures, high street sales, manufacturing output or events crucial in setting the direction of the stock market for philip.coggan@FT.com

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#### Tony Jackson



again, the big theme in

vorld markets is still

+201/2

+80

+20

+62

+81/2

+12

102

322

+107%

2711/2

530

1600

110%

351

1157%

2521/2

seems to have settled down, something else falls off with a oang; and Chinese devaluation,

the two-way pull of the Asian crisis. On the one hand. we have damage to the west's corporate earnings and perhaps - to its economic growth. On the other, we have downward pressure on inflation and interest rates. Add the remote but appalling risk of systemic damage to the world

banking system, and what do you get? A pretty fine balance, it would appear. The US equity market, for instance, might be immensely jumpy but the broad Standard & Poor's index is less than 3 per cent down from its December peak, and 25 per cent up over the past year. Even the Nasdaq index, with its supposedly Asia-vulnerable high

year ago in spite of a 13 per cent fall from its peak. In Europe, the picture is similar. The UK's FTSE 100 index is only I per cent off its high. And, while the damage to some Asian markets has been horrible, the world equity index is only 8 per cent off its peak in dollar terms, and 10 per cent up on the year. All the while, of course, bond prices in the US

tech stocks, is still well up on a

and Europe have been rising. It is now three months since the crisis gripped the markets. If, after all that time, this is their considered reaction, portfolio investors might well ask what all the fuss is about. It would not do to be too sanguine. One unsettling aspect of the crisis is that each time it

### Walking a tightrope Will the world fall off? Not quite yet, with luck

should it happen, could be the biggest bang of all. Let us suppose, though, that we have seen the worst of it. Are the markets right to be so apparently unconcerned?

As ever, much of the answer lies with the US, especially given its present role as engine for the world economy. Its fourth

Survey, US fund managers are, on balance, bears of US equities at present. Nearly half think the market is over-valued and none at all thinks it is cheap. This would be unnerving were it not for one fact: a year ago, the same managers were more bearish on US equities again.

So, everything is all right, then? For now, quite possibly. Further out, I can think of at

Each time the crisis seems to have settled down, something else drops off with a bang quarter results season will be

more delicate than most, with the big global companies showing their bruises from Asia and the soaring dollar. The first bulletins this week, though -Intel good, Motorola less so gave little to worry about, As for the domestic US

economy, a bullish case is emerging cautiously. The fall in bond yields is a stimulus to activity in general. Consumers are being helped by lower interest rates and the recent sharp drop in the oil price. All this comes at a time of rising wages and full employment, plus the wealth effect provided by Wall Street itself; and the beauty of it is that the Asian crisis makes the Federal Reserve less

likely to intervene. Not that the average institutional investor necessarily sees it that way. According to that handy publication, the Merrill Lynch Gallup Global

The first is micro-economic Wall Street is still being helped along by share buy-backs. Increasingly, as a result of recent changes to the tax regime, so is London ~ one example this week being Rio Tinto. Whatever the merit of individual cases, this plays to the received idea that debt is a good thing per se. On the other side of the world, this idea is

effect. This is not to say that US or UK companies, like their counterparts in Korea or Indonesia, are committing the folly of borrowing hugely on overdraft in unmatched foreign currencies. On the contrary, the fall in long-term interest rates has led to something of a boom recently in the issuance of corporate bonds.

being disproved to stunning

The worry is rather that the long bull market has spawned the naive belief that a highly

geared balance sheet is the key to shareholder value, in good times or bad. As elementary financial theory shows, this is simply fallacious. It is also faintly worrying that some companies have apparently taken to justifying their debt levels in relation to their marke capitalisation which, in a bubble market, would be a recipe for .

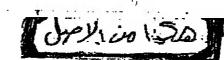
In macro-economic terms, the worry is different and rather les tangible. In the long run, the more western markets take comfort from the distress of Asia, the more they risk the folly of believing their own propaganda.

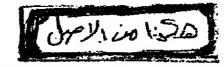
There is an unsettling parallel to be drawn between Wall Street now and the Tokyo market a decade ago. Last summer, the consensus was that Wall Street was over-valued. In the summer of 1987, the consensus was that Tokyo was screamingly so: in both cases, the market was looking in the wrong place. In-1987, it was Wall Street which collapsed instead:

Tokyo's ability to shrug that off was taken as further evidence that it was indeed special: that normal rules of valuation had ceased to apply. The market then rose a further 50 per cent before falling apert. With hindsight, the nature of

the Japanese bubble seems perfectly obvious it was less apparent 10 years ago. It is equally hard to see real structural flaws in the US economy today. But, ren the old rule: if it all looks too good to be true, it probably is.

Offshore managed funds and UK managed funds are listed in Section One





#### WEEKEND INVESTOR

per share (pr

7.65 (5.5)

3.7 (2.75)

2.2905 (1.8341)

05 (D.S)

6.48 (5.4)

24 (1

1.0 . (2.2)

2,45 (2,25)

4,25 (4.25)

5.1 (4.62)

0.45 (0.4)

14-11

12 (-)

1.1 (6.9)

2.9 (2.4)

3.5 (3.3)

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- (-)

.1.8 (1.65)

26 (1.7)

1.55 (1.375)

1.8 (1.4)

0.95 (0.9)

1.7 (1.6)

0.2 (0.9)

8.97 (7.81)

13.66 (9.06)

10.51 (8.75)

0.004 (1.5)

1.17 (3.15)

56.1 (44.2)

2.76 (2.3)

. 84.7A

0.19 (-)

Directors' dealings

West Brom purchase

Football club stocks are suffering in the market at the moment but that did not stop Paul Thompson, a non-execu-tive director of AIM-listed West Bromwich Albion, buying

In contrast, the insurance sector is very much in fashion with investors these days and it was interesting to see David Low, the chairman and chief executive of Windsor, bought

777,500 shares at 10.5p. He now holds 5.5m shares, about 11

per cent of the share capital. This follows an upbeat trading

There was a large sell by Jean-Louis Croquet, the deputy

chairman of media and publishing group Taylor Nelson

AGB. He sold 5m shares at 87p taking his holding to 9.2m

shares. This follows a sale of 5m two weeks ago at 75.8p. No

54,000 (48,500)

14,500 (10,500)

4,360 (3,178)

368,1 (246,38)

Oct 8.36 (79.53) 0.69 (2.84)

BOLE: COTA

2,180 (2,180)

5,810 (5,040)

1,335 (1,149)

2100 (1,860)

77,100 57,500)

16,500 (15,500)

41.61 (23.68)

4,310 (2,810)

5,770 (4,200)

3713 (313.9)

321 (48.5)

10,800 7,920

557L (847L)

77.0 (159.0)

THE STATE OF THE S

115.69 (-)

Last week's interim results

inīr

inTr

Prog. Oct 4,096 (3,020)

LEN Det ... 10,100 (1,400)

E-Current takeover bids and mergers

inTr Sept

\_\_\_\_ 10

245 151% 99.75

225 185 11,04

235 2051/2 9.12

2261 (1,950)

Last week's preliminary results

2.500 shares at £160 each, writes Ion Forrest.

statement after final results in mid-December.

reason was given for the sales.

# West Bromwich Albion

NEARY THANKARY

Company	Sector Shares		Value 2'000	No of directo
SALES			-	,
Progmore Est	Prop	60,000	288	2
Man (ED & F)	FPro	3,050,000	7259	4
Ryl Benk Scotland	Bnics	10,000	78	1
Stagecoach Holdings	Tran	24,099	186	1
Thorntons	RetF	60,000	144	1
Tinsley Robor	PP&P	21,000	30	2
United News & Media	McGa	50,000	384	1
Wessex Water	Watr	29,938	151	1
Yorkshire Water	Wat	12,000	59	1
Kingfisher	RetG	65,300	532	1 *
Scottish Power	Elec	56,942	289	2 -
Stagecoach Holdings	Tran	25,702	198	1.
Whitbread	Brew	27,900	242	1 *
PURCHASES				
AIT Group plc	SSer	11,834	21	2
ASTEC (BSR)	E&E	50,000	58	1
Automotive Precen	EngV	1,026,100	167	2
BTR PIC	Divi	410,000	735	3
Capital Gearing Tst	hvT	14,500	113	1
Comino PLC	SSer	15,000	18	1
Crabbree Group	Eng	20,000	15	2
Dowding & M.	Eng	51,730	38	1
Elec. Data Proc.	EAE	200,000	106	1
Ennstone	BM&M	30,000	17	1
Group Trust	InvT :	100,000	46	1
Helphirs Group plc	) in	10,895	36	3
Murray Emerging Ec	inv7	50,000	32	1
NatWest	Bnks	5,000	49	11
Princedale	Mdia	300,000	53	1
Schroder Ventures I	InvT	25,000	40	1
Scottish Radio Hold	Mdia	37,400	139	1
Secure Trust	OthF	80,000	488	1
Sterling Publishing	Mdia	342,500	69	3
TGI	EAE	90,000	52	3
United Biscuits	FPro	7,575	17	2 .
Universal Ceramic M	BM&M	56,500	44	3
Wagon Industrial Ho	Eng	13,000	37	2
Wembley	LAHI	35.000	93	2
Companies must notify the transaction by a director. notifing exercise of option	Stock Each	enge within five w	oriding days	s of a she d and Ain

### ed by the Stock Exchange, Sheres traded are ordinary,

reports interims and SBC

Warburg, the company's bro-

the figure will be for the six months to end-October, the

The week ahead

MONDAY: Ashtead Group. tor, is expected to announce the plant and machinery full-year pre-tax profits of hire company, reports about £21.5m before excepresults for the six months to October 31, and a pre-tax fig-tional gain of £500,000 is also ure of about £16.6m (£14.4m) expected. At the interim is expected by some ana- stage, it reported pre-tax lysts. The results last time profits up 24 per cent to were affected by falling hire 26.7m. W&P last year rates in the UK and a stag- revealed plans to double the nating construction indus- number of its Alldays conve-

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nience stores to 500 by 2000. TUESDAY: Somerfield, the THURSDAY: John Menzies, supermarket chain, is due to the distributor and retailer, report interim results and NatWest Securities expects the retailer to reveal pre-tax ker, expects pre-tax profits of profits 3 per cent ahead at about £1m (£2.6m). Although

WEDNESDAY: Watson & company is expected to Philip, the food distributor update investors on Christ-

and convenience store opera- mas trading.

Company		Adactor	ek Last w	Dividend	This y
Company	Sector	r doe 🔨	anterim	Final	Intert
PRIAL DIVIDENDS.					
Cardiff Property	Prop	Monday	0.9		2.0
LINEST LINESCENSIA	Lan	Thorsday	251 -	5.93	284
Loreno Loreni	Dyta	Thursday		1.75	1.25
Locien :	SoS	Wednesday	25	5.0	2.5
Ultraframe	Balle.	Wednesday		-	
Usher of Tombridge	Brace	Tuesday.		=,	-
- Watson & Philip	REFd	Wednesday	5.3	12.2	5.7
WITERIN DIVIDEND					
Adacene	Med	Monday ·	3.5	5.0	-
Adacene - Astronad	BAC .	Monday	0.72	2.93	1
Barbour Index	Med	Tuesday	3.15	6.85	-
Berbour Index Buckrieff Design	SnSw	Tuesday	0.25	0.75	S 444
Deelan -	Prop	Thursday	16.0	6.0	-
McKay Securities	Prop	Wadnesday	23	40	
Menzies (John)					
Mile .	SeSe	Menday	0.9	13	Q=000
Partingtain Fetatoe 11	Evio	Tueerlay	0.5	-	, w.
Renson (Milleri) & Son	Phone	Thursday:	0.848	-1.68	C 1
WE Bedrical	Fliet.	Friday	4.0	11.0	2

Northern Leisene is to raise \$20.8m vie a placing and offer of 5.4m shares at 400p.

#### Bids/Deal

British Airways and Lot vene in the £1.1bn hostile bid Polish Airlines are joining by Hercules, the US-based holder approval to buy back the deal should be referred forces to develop a central chemicals group for Allied up to 10 per cent of its to the Monopolies and Merg-European metwork. BA said Colloids, the UK chemicals equity. Analysts said a full ers Commission. H might take an equity company.

buy-back programme could Shandwick International, stake in the state-owned EMI and Sony are cost about \$1.5bn (£940m).

Carrier and a formal agree believed to have dropped out The Takeover Panel has confirmed it was in preliminating the programme of the public relations firm, confirmed it was in preliminating the programme of the public relations firm, confirmed it was in preliminating the programme of the public relations firm, confirmed it was in preliminating the public relations for the public relations ment is expected by the of the bidding for Boosey & stopped the clock on Quebe- nary talks with a number of Spring.

Hawkes, the classical music cor's hostile £188m bid for business partners. These

Hargaret Beckett, the UK publisher and musical Watmoughs, the UK printer. could lead to a full offer Trade and Industry Secre-instruments company. The delay will allow more being made for the comhas remaid to inter. O Rie Tinto, the mining time for the Office of Fair pany.

group, has sought share- Trading to decide whether buy-back programme could 

Shandwick International,

4816 401/2 73.05 Alcheuny Partners

13.75 United Inds

In the Pink

### Speaking in tongues won't do at work

The European Union's language will be English – the language of the world, argues Brian Reading

holiday in the French Alps (my wife skis. I don't) to escape the Asian crisis and have time to read. There are few better books than Eric Hobsbawm's Age of Empire 1875 to 1914. But, before revealing how it inspired this article, a small

We took the supposedly non-stop Eurostar ski train from Waterloo direct to Moulier, around 37 miles from our destination, Notre Dame de Bellecombe. But the train did stop, unavoidably, at Albertville, which is much nearer Bellecombe than Moulier.

Naturally, we wanted to get off - but we were stopped by a conductor. 'Why can't we get out?" we asked. "Because the train does not stop here," he answered. We found it mpossible to convince him otherwise, even though he was standing at the open door to the platform.

We were not as smart as a friend, who later recounted a similar experience. He mistakenly boarded a nonstop train which, fortuitously, was held up by signals at the station he wanted. After alighting, a guard told him that he could not get off because the train did not stop there. He replied: "Then I can't have got off."

This digression concerns the difficulties people have in communicating with one another. Hobsbawm discusses the extension of state education and literacy in the late 19th century. It might be common knowledge, but I was amazed to discover that Britain had no state schools or public education until 1870, no compulsory education until

here is nothing 1890, and no state secondary like a non-skiing schools until 1902.

easier and cheaper travel brought people from different places into closer contact with one another. Master no longer knew man. Written communication had to replace verbal. But, that raised a further problem. As Hobsbawm says: "A national - ie. an overwhelmingly state-organised language. It will come, of

cational system required a particularly as the EU

students must read and write English. The is confined to menus in restaurants

instruction." As late as 1914, British regiments had to be based regionally. A Cockney could not understand a Glaswegian, nor a Cornishman a Geordie. The significance of universal education was that it led to single languages which, in turn, promoted a sense of nationalism. By this means, Hobsbawm maintains, "the French republic turned peasants into Frenchmen". In less than a year, up to a dozen European nations

will move to a single currency. This, clearly, puts the cart before the horse. Every economist knows that the efficient operation of an optimal currency area requires mobility of labour. Without it, there will be areas of persistent stagna-

labour mobility in the EU is and research; indeed, all Universal literacy, Hobs- minimal. Each year, 17 per bawm argues, became nec- cent of Americans move. essary as the size of organiand a quarter of them relosations increased while cate from one state to another. But, only 5m out of 360m EU citizens live outside their country of birth fewer than 2 per cent. The lack of a single European

language is the biggest obstacle to mobility. The single currency and single market will not work successfully without such a and state-supervised - edu- course: that is inevitable,

All post-graduate Japanese French language, increasingly,

national language of expands. It cannot possibly continue to conduct all its business in every tongue That single language will be English. Indeed, it is happening already. A survey of

documents translated by the European Commission has shown that 42 per cent were written in English originally compared with 40 per cent in French and only 6

When the EU was founded as the European Economic Community, virtually all its take over, it is already the English as the European fic control, the internet, much of international finance and business, most films and pop music. It is

Compared with the US, valled access to publications dents must read and write it. French, increasingly, is confined to restaurant

> English cannot be measured by the number of people for whom it is their native tongue. The fact that hundreds of millions of Chinese speak Mandarin or Cantonese hardly matters, since they have little contact with others who speak different

> The more developed a country and the higher its per capita income, however the greater its international contacts are likely to be The importance of a language should, therefore, be calculated on the basis of the share in world GDP of those who speak it.

An analysis of the 100 largest economies by size of GDP shows that English is spoken by people who pro-duce one-third of world output. People who speak Chinese produce 10 per cent. Spanish and German 7 per cent, French 5 per cent, and Arabic 3 per cent. Indians who speak mostly Hindi account for only 2 per cent of world output.

In an increasingly integrated global economy, the European single market will inevitably conduct its business in English. The ratio of reward-to-effort from learning English as a second language vastly exceeds that of documents were written any other language. It is six first in French. But, it is times more useful than obvious why English will French. Indeed, adopting world language for air traf- common language is the only way the Union will turn Parisians into Euro-

■ Brian Reading is a directhe language of higher edu- tor of Lombard Street cation because it gives unri-

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FINANCIAL TIMES

### FT WEEKEND

he Grim Reaper comes in many guises. A relative of my wife endured several years in a Singto be knocked into the afterlife, soon after being released, by a crateload of corned beef dropped from a passing US food relief

A French friend, a purveyor of the more exotic types of women's underwear, was raising his arm for another bottle of champagne in a Lyons restaurant while gobbling pâté de foie gras when he froze, pole-axed by a coronary. His table companion, one of the models for his goods, died the same night after falling into an open manhole whose

cover was stolen by a British

gang illicitly supplying a local

scrapyard with raw materials. Recently a housewife in Florence collapsed and died at her husband's funeral after hearing tine discussions. the words "Let me out of here, I'm hungry" coming from the coffin. Apparently the husband had dabbled in amateur theatTrue Fiction / Kieran Cooke

### Massaging the facts of life

thought a spot of voice throwing

would be appropriate. These macabre thoughts ran through my addled brain last here," said one moustachioed week as I gazed into the netherworld. That I have managed to claw my way back to life is a miracle of Lazarus-like propor-

I was in Istanbul, attending a conference at the Greek Orthodox patriarchate. Though the subject - the great schism of 1054 - is one of particular interest to me, I must confess to being overcome with a sense of ennui after three days of Byzan-

I decided to dodge the proceedings and head for one of my favourite haunts - an old

rics and a ventriloquist friend away on a back street on the at his ear-biting worst, Ahmet is

At first, everything was as it build, the pumelling and should have been. "Shoes off, pounding administered by attendant. "Clothes off, here," said another. "You will lie down here," said Ahmet, the boss farmyard brush protruding from

I eased my body on to the hot marble slab. Within minutes I was like a piece of overdone haddock, the sweat streaming not prolonged. out of every pore, muscles turn-

mist. "You go massage - over there." With a physique that together when a Japanese TV looks as if it has been hewn out crew appeared through the fog. of Anatolian rock, and a

not one to be argued with.

Ahmet and his crack force of retired wrestlers takes about 15 minutes. For that length of time, it is just about bearable. When man, a moustache the size of a the final two slaps signal the end of the treatment you sigh with relief and attempt to stand on legs like overcooked spaghetti. The promise of a handsome tip ensures the agony is

Not so this time. In this crazy world it seems there is no escape Ahmet appeared through the from the intrusion of the media. There I was, gathering my limbs A documentary on Istanbul

was being made and a scene was

between the producer and Ahmet. My body, or what was left of it, became the focus of attention. As the only enstomer

I was asked, or ordered, to become a lead actor in this steamy film. My protests were stilled by one steely look from a vengeance. Under the arc lights and whirling cameras. Ahmet, sensing a moment of

movie glory, put in an Oscar-winning performance. My limbs were taken to places they had never been before. "Take Seven," said the assidu-

ous Japanese. The soles of my feet were introduced to the back of my head. "Take Eight."

needed in a Turkish bath. Words Ahmet rested his ample foot on and cash were exchanged my chest and pulled an arm a good 2in out of its socket, I went into suspended animation.

Some years ago Ankara protested to Tokyo over the Japa-nese use of the term "turkish bath" to describe ma lours of Ill repute. Anxious to settle the matter, Tokyo decreed that in future such establish for three days.

ments must go by the clean but "Clothes on here," said one
quaint name of "Scaplands". moustache. "Shoes on there," ments must go by the clean but quaint name of "Scaplands".

Perhaps I was about to become a star in some alarming. I scurried back to the confer-Japanese sado-masochistic movie. Would friends in Japan recognise me? What if my col- crates of corned beef falling leagues at the patriarchate learned about my out-of-conference activities?

As I edged ever nearer to the

chicken with no feathers, purquake, trapped under tunnes of masoury. Only when I rejoined the world did I realise Ahmes and his 17 stones were taking a stroll up and down my spine. could not cry out my langs

Just in the nick of time, cameras stopped and the lights were switched off. Someone clapped, the sound schoing through the hamam's arched caverns. It was an hour before I could stand and the limp lasted

PRO

said another.

ence and the great schism checking along the way for from the sky, walking tentatively around manboles, on the alert for exploding beer bottles. eternal chasm I dreamt I was a fatal dose of static electricity.

Arcadia

# Take a fatal walk on the wild side

Christian Tyler peruses the price list in a game reserve where guests shoot to cull: springbok \$275, lioness \$4,500

instant a solitary springbok, sistence farmers and create his at play. Among the attractions which had been picking its way across the opposite slope, jumped sharply to its left. There was a flash of white rump as it pirouetted behind a thorn bush, and dis-

The hunter and his tracker slowly crossed the intervening lay the answer to the rifle's question. The springbok was stretched out on the desert, his Americas are invited to pay to completely eco-triendly." eyes bright in death and his neck thrust forward. A small hole punctured one creamy flank just above the heart. From the other flank, crimson blood trickled into the red dust.

Who would kill a beautiful creature in the prime of its life? For the hunter who had flown thousands of miles and walked for hours through the bush to loose off a single bullet, it was a moment of elation - and relief. But for a growing army of animal lovers on the other side of the globe it would have been an act of wanton destruction.

On this estate in the southern Kalahari desert, 130km from Kuruman in the northern Cape, springbok are plentiful. They dance across the horizon at dawn, long chorus lines leaping over unseen hurdles. In the foreground herds of eland, kudu and oryx gallop past, nose to tail. A trio of ostriches sails over a dune ridge, sparrow-sized chicks scrambling between their legs. The exhibitionist kor-haan, a pheasant-like bird, rockets off the ground, simulates a heart attack and tumbles to earth in a flurry

Almost everything here has been reinstated. The owner, Stephen Boler, is a tough-minded. chain-smoking, self-made multimillionaire from Manchester in northern England, who now

he crack of the rifle spends most of his time in South hung like a question Africa. With 59m of his fortune mark over the silent and 53m from Philip Rigby, his expanse of sand and business partner, Boler paid over scrub. At the same the odds to buy out 34 Boer subown utopia.

> vately owned reserve in South born from a group of eight. Visi-Africa, land is not limitless. And tors are given an animal guide the animal management policy and a bird check-list on recycled is unambiguous: shoot to cull.

Boler says he has no difficulty squaring his love of hunting with his passion for wildlife

As human populations expand. conservation means culling. In remote areas like this, where tourism is sparse and volatile, it can make sense to let rich foreigners pay some of the costs of conservation, by letting them do

the shooting.

Although he does not shoot on his own place, Boler says be has no difficulty squaring his love of hunting, acquired when he was a Unilever trainee in west Africa, with his passion for wildlife, and especially for the endangered black rhino.

But he is no fool either. Many of his wealthy visitors have booked their safaris through green" tour operators. The two sides of the business he keeps strictly separate. "I'm not shy. I'm not ashamed of it," he said. "But people will get shyer. There's a tremendously strong

At Tswalu, eco-tourists are taken from luxurious rondavels (palatial huts), decorated with African tribal art, out across the red dunes to watch the animals are rare roan and sable antelope Although it is the largest pri- and two baby black rhinos, newly here, as in many parts of Africa, paper. A letter from the management assures them that no CFC Most of the 210,000 acres are aerosols are used, nor plastic 200 yards. Beside a bleached log given over to wildlife breeding shampoo bottles, and that and eco-tourism. On the rest, kitchen waste is saved for comhunters from Europe and the post. "Our cleaning products are

> A few miles away, approached by a different road from Boler's private airstrip and well out of range of the eco-tourists, is the hunting ground, Tarkuni Estates. Here, a big new lodge is being built with its back to the hills and a long westward view over the desert. The glossy brochure claims "the ultimate African hunting experience" with "more species to hunt than any other game lodge in Africa".

It costs US\$275 to bag a springbok, in addition to the cost of food, lodging and the services of a professional bunter. The trophy menu includes most of the big antelope, but also jackal at \$75 a head, ostrich at \$300, giraffe at \$2,950, roan at \$6,500. A lioness, when available, is \$4,500 and a buffalo \$6,000. Last year, Boler advertised a female white rhino which was past childbearing: he got \$35,000 for it.

"It's very hard to explain to someone who is against hunting how that can play a part in con-servation," said Boler. "There's no point saying I'll shoot an old bull elephant (there are no elephant yet at Tswalu), because it's ing businesses. He files in a Falgoing to die anyway and the money goes back into preservation. You can't explain to them that the enjoyment is not in the

kill, it's in the hunt." Boler aims to make his estate



viable, but not to recoup his investment. At present, trophy hunting brings in more than tourism, but the biggest income comes from breeding rare species and selling the surplus to other reserves. (At auction, a diseasefree Cape Buffalo cow currently fetches R150,000, or £20,000.)

As a businessman, Boler is used to controversy - even if he doesn't always relish it. Beginning in car tyres and exhausts, he has amassed a fortune of around £100m creating and sellcon jet with gold-plated seat belt buckles. He owns part of Man-chester City football club. His last coup was the reported £50m he banked from the controversial flotation 15 months ago of Limelight, his kitchens and bathrooms

After the float at 175p the company seemed to lose control and the share price collapsed, reaching a low of 27%p and now hovering around 38p. Although Boler had disengaged from daily management two years before in order to spend time setting up his African idyll, investors were not amused. Still the largest shareholder, the company's founder has been obliged to reassert his presence - albeit at a distance and underwrite an increased company overdraft from the Royal Bank of Scotland.

"It's been the most embarrassinvolved in," he said, sitting on a him. "Limelight is a great business, but just about everything that could go wrong did go wrong. I'm not to blame but I feel

a moral obligation." As for the morality of shooting to cull, Boler's conscience is untroubled. What looks cruel to the town looks normal to the country. What is taboo in New York or London seems common sense in the Kalahari.

The Humane Society of the United States has lobbied Congress in the hope of blocking US aid to projects in Africa where trophy culling is practised. "We consider it animal cruelty in its purest form," said Wayne Pacelle, ing situation I've ever been a vice-president, "even if it is for conservationist ends. Too often the revenue doesn't even go to

broadly speaking, allies. Julius Koen of the northern Cape Nature Conservation Service. who has visited Tswalu, described it as "very well planned". Boler, he added, was a determined man, but one who lis-

tened to advice. Even the British arm of the Worldwide Fund for Nature makes no bones about what it calls "the consumptive use of wildlife" provided there is no obvious alternative, that it benefits the locals, is sustainable, scientific and involves no cruelty.

Meanwhile, for good or ill, the head of the springbok will look very fine, stuffed and mounted. on my wall.

f you were invited to one of Bunny Roger's notorious parties at his large and luxurious London mansion, the dress code was generous and inventive. But however bizarre your outfit, however long your boa, it was almost inescapable that your host would make you

feel slightly shabby. For his 70th birthday bash in 1981, he wore a mauve catsuit with an exotic egret feather headdress. For his 80th, he made an entrance through smoke and flames wearing a catsuit of coloured sequins, with a bright organza cape and a large collar of black fur. Unfortunately, he died early last year while still planning his 90th anniversary, to be fitted round the theme of the haunted ballroom.

But to older friends of Bunny. and his devoted brothers, Alan and Sandy, these birthday binges were tame affairs. They remembered the old New Year's Eve parties in Walton Street, espe-cially the much talked about fetish party, where men in high heels and bondage straps dragged their women around on chains.

The Roger brothers were, of course, accepted everywhere, liked and respected for their wit. their sophistication, and their

### Metropolis The sale of a style

Quick-witted and exotic, the Roger brothers were accepted everywhere. Antony Thorncroft reports

gence he succeeded in making a

fortune from telecommunica-

tions. He sowed; his sons reaped;

and within a century a fortune passed through the hands of the

family. There were naturally no

heirs, not even remote relatives.

The Roger millions, including Dundonnell, which has just been

sold for £3m, has passed to

employees, in particular the Chi-

nese servants of Alan, and the

generosity. During the season, and at Christmas, the fun shifted to Scotland, to the remote 30,000acre estate at Dundonnell, near Ullapool, bought in the 1950s with a sudden windfall: some family shares, which had laid dormant in New York since the Great Depression, suddenly spiralled in value.

The Rogers are about to enter the public domain because later this month more than 1,500 objects that they acquired to furnish their London and Scottish homes come up for auction at Sotheby's. Each brother had his own collecting field - Alan bought Chinese furniture and works of art, and patronised contemporary potters, such as Lucie Rie and Hans Coper, as well as young Scottish artists. Stolid Sandy favoured Victorian works

of art, while Bunny liked any-At Dundonnell, the cream of barefoot poverty in Aberdeen and, in a way, their faith was tweeds. Never!"

tained in style. Highland dress was de rigueur and any guest arriving in mufti was soon kilted out. In fact, it was perhaps a mis-take to bring your own clothes. One lady arrived late at dinner with the excuse, "I didn't know whether to dress up or to dress down". Bunny gave her a withering look and asked, "Well, which did you decide?"

The Roger brothers carried into the 1990s a lifestyle which is best captured in the early novels of Evelyn Waugh and Ronald Fir-bank. They lived to please, themselves and others, and could well afford to do so. They were the sons of Sir Alexander and Helen Roger who, with extraordinary generosity and forbearance. accepted the fact that their boys were not like most other men. Sir Alexander had been hewn

ir Alexander had tried to bribe some beef into his lads, promising Bunny a present of his choice if he made the 15 at Loretto, the notoriously tough Scottish school, chosen to chivvy up the children. Bunny made the team and asked for a doll's house. Sir Alexander and Lady Roger maintained out of different clay - boro into warm relations with the boys,

last brother to die.

the local aristocracy were enter- shire. By industry and intelli- justified. The youngest son, Sandy, was directed towards the family business, and died first. He is remembered as a quietly spoken, whisky and tweeds, Scot-

> The eldest son Alan fell in love with the Orient, where he worked for the government in Hong Kong, and with gardening. pioneering the bonsai tree in

tish gentleman.

But it was Bunny who set the tone, a familiar figure as he strode through Kensington in gay Edwardian-styled suits and full make-up. He boasted that his waist measurement was the same as that of Diana, Princess of Wales, and he remained a dandy to the last. Once, as he stepped out of a taxi powdering his nose, the driver could not resist saying, "Watch out, you've dropped your diamond necklace, love." Bunny was unphased: "Diamonds with

Like all the brothers, he never quite overstepped the mark. While the earlier generation of Bright Young Things embraced drugs, fascism and emusi. Bunny,

although sent down from Oxford

for homosexual provocation,

found a happy and productive niche as a dress designer, on money advanced by his father. His insouciance came into its own in 1944 as an officer in the Rifle Brigade, charged with chasing the Germans out of Italy. He went into battle well rouged. warmed by a chiffon scarf, and brandishing a copy of Vogue. He also found time to rescue a

wounded soldier from no-man's-Many of the brothers' material possessions, like the dormant shares, have appreciated remarkably because the brothers bought what caught their fancy rather than what the age ordained. The

most expensive lot, likely to

exceed £70,000, is a set of 12 dining chairs made to furnish Windsor Castle in the "new" Gothic style of around 1810. Queen Mary had them removed in the 1920s, and the Rogers snapped them

Grand chandeliers, anything in silver gilt, Gothic cabinets, carved stags - all the objects despised by postwar taste were snaffled up by the Rogers. Sometimes, Bunny's imagination stretched beyond antiques; he got Elizabeth Eaton to design a set of 12 ebonised dining chairs, covered with cow hide, to seat his

Now this exotic lifestyle is to at least £1.5m for the Rogers faithful staff. For just £500, you can acquire the "Wall of Fire" catsuit and ensure that Bunny Rogers' style continues, at least in spirit

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